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JEFFREY D. COLMAN

June 24, 1997

VIA FEDERAL EXPRESS

N. Bradley Litchfield, Esq.
Associate General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: Request for Advisory Opinion Under 2 U.S.C. 437(f)a

Dear Mr. Litchfield:

As we have discussed over the telephone, and as is reflected in my letter of November 21, 1996 to Lee Ann Elliott, Chairman of the Federal Election Commission, we represent Congressman Jerry Costello of Illinois. We also represent his authorized campaign committee.

For many months, the Congressman has been subjected to allegations relating to his relationship with Amiel Cueto. The Congressman vehemently denies any allegation of wrongdoing. The Congressman's campaign committee maintains funds which the Congressman and his committee wish to utilize to defray the Congressman's expenses incurred with our law firm.

Congressman Costello and his committee believe these expenses are campaign-related both because the specific allegations raised in the press relate to the Congressman's performance as an elected official and because certain of the allegations became campaign issues in the 1996 primary and general elections and they likely will be raised as issues in the 1998 election. Because the Congressman has been required to respond to certain of these issues within the context of his 1996 campaign and will need to respond in the context of the 1998 campaign, the Congressman views the expenditures as necessary to his campaign for reelection.

JUN 25 9 51 AM '97
FEDERAL ELECTION
COMMISSION
WASHINGTON, D.C.

AOR 1997-12

The Congressman is mindful of the prohibitions in the Federal Election Campaign Act of 1971 against the use of campaign funds for personal use, and the Congressman understands that, under the personal use rules, expenses for attorneys' services are among those uses that are examined on a case-by-case basis. The Congressman and his authorized committee request the opinion of the Federal Election Commission concerning the propriety of using campaign funds for the purpose of reimbursing our firm for legal expenses.

In part I of this letter, we briefly summarize information relating to the trials of Thomas Venezia in 1995 and Amiel Cueto in 1997. These trials generated substantial publicity; articles in the *Belleville News-Democrat*, *St. Louis Post-Dispatch* and other newspapers raised issues concerning Congressman Costello's relationship with Messrs. Venezia and Cueto. In part II, we summarize the nature of the specific allegations made in the media, arising out of the Venezia and Cueto trials, as they relate to Congressman Costello. In part III, we summarize the nature of the legal services we have rendered, and continue to render, to Congressman Costello.

I. Background Information

Thomas Venezia (and others) were indicted in the United States District Court for the Southern District of Illinois. They were charged with gambling-related racketeering activities; the Venezia trial took place in late 1995. Venezia and his co-defendants were convicted on December 6, 1995.

During the course of the Venezia trial, witnesses testified about business and political connections allegedly involving Venezia, Cueto and Congressman Costello. This testimony was reported in the *Belleville News-Democrat* and *St. Louis Post-Dispatch*, and was made an issue in Congressman Costello's efforts to win reelection in 1996. We enclose copies of the following newspaper articles relating to these matters:

Belleville News-Democrat, September 22, 1995
St. Louis Post-Dispatch, November 1, 1995
Belleville News-Democrat, November 1, 1995
Belleville News-Democrat, November 3, 1995
Belleville News-Democrat, December 7, 1995
St. Louis Post-Dispatch, September 12, 1996
Belleville News-Democrat, October 29, 1996
Belleville News-Democrat, November 3, 1996 (advertisement)

In August 1996, Amiel Cueto, together with two other defendants, was indicted for obstruction of justice, conspiracy, and a number of other federal crimes. The co-defendants

N. Bradley Litchfield, Esq.
June 24, 1997
Page 3

pled guilty. Mr. Cueto was tried between April and June 1997; he was convicted on June 11, 1997.

II. The Specific Allegations Reported By The Press

Mr. Cueto and Congressman Costello were best friends for many years. They served as best man at each other's weddings and they have extremely close family relations. They also were partners in a business venture starting in the 1980s and terminating in August 1992.

During the course of the Cueto trial Congressman Costello, together with others, was named as an unindicted co-conspirator. However, Congressman Costello has never been charged with any wrongdoing and he has not been identified to us as a subject or target of any criminal investigation. Congressman Costello voluntarily appeared before a federal grand jury in April 1996, and, through our office, he advised both the prosecution and defense in the Cueto case that he was available to testify at the Cueto trial if they so desired. Neither side called Congressman Costello as a witness.

Enclosed are the following articles (among many others) relating to coverage of the Cueto trial:

Belleville News-Democrat, April 10, 1997
Belleville News-Democrat, April 17, 1997
St. Louis Post-Dispatch, April 17, 1997
Belleville News-Democrat, April 22, 1997
Belleville News-Democrat, April 30, 1997
Belleville News-Democrat, May 11, 1997
St. Louis Post Dispatch, May 13, 1997
Belleville News-Democrat, May 15, 1997
St. Louis Post-Dispatch, May 15, 1997
Belleville News-Democrat, May 18, 1997
Chicago Sun-Times, May 19, 1997
Belleville News-Democrat, June 5, 1997
Belleville News-Democrat, June 15, 1997
St. Louis Post-Dispatch, June 15, 1997
St. Louis Post-Dispatch, June 17, 1997
Belleville News-Democrat, June 17, 1997
Belleville News-Democrat, June 18, 1997

As you will note, the testimony in the Cueto case was widely reported in the media. As reflected by the enclosed articles, there were three principal allegations which formed the basis of the media's coverage of the Congressman. Following the Cueto trial, Congressman Costello met with the media to discuss these matters in detail. (See *St. Louis Post-Dispatch*, June 15, 1997.)

First, there was hearsay testimony that Congressman Costello was a "silent partner" in business dealings with Cueto and Venezia. (See, for example, *St. Louis Post-Dispatch*, April 17, 1997; *Belleville News-Democrat*, May 15, 1997.) The Congressman has repeatedly denied those allegations.

Second, an allegation was made and reported in the media that Congressman Costello, in his capacity as an elected public official and leader in the Democratic Party, met with St. Clair County State's Attorney Robert Haida in an attempt to convince Haida to vacate his position as State's Attorney, accept a judgeship, and assist in convincing John Baricevic (the Chairman of the St. Clair County Board) to appoint Cueto as State's Attorney of St. Clair County. (See *Belleville News-Democrat*, May 15, 1997.) Congressman Costello has acknowledged that he met with State's Attorney Haida and that they discussed the possibility of Haida becoming a judge, but Congressman Costello denies there was any discussion about Cueto succeeding Haida as State's Attorney. Moreover, Mr. Baricevic has confirmed that in his discussions with Haida, Haida said nothing about Congressman Costello asking Haida to assist in getting Cueto picked as State's Attorney. (See *Belleville News-Democrat*, June 5, 1997.)

Third, an allegation was made that Congressman Costello supported legislation in Congress designed to recognize the Pokagon band of the Potawatami Indians at a time when Congressman Costello allegedly had a "secret" interest in a business which would then run a land-based gambling casino on Indian property in Southern Illinois. (See, for example, *Belleville News-Democrat*, April 30, 1997.) Congressman Costello acknowledges that he voted for the legislation, but he denies that he had any interest in the gambling venture.

III. Services Rendered By Our Law Firm

In our capacity as counsel to Congressman Costello and his committee, we have carefully investigated each of the allegations discussed above, and we have advised the Congressman with regard to his dealings with the media, the United States Attorney's Office, and Mr. Cueto's defense counsel. Specifically, we have rendered the following legal services to Mr. Costello:

1. We reviewed and monitored the allegations made against Congressman Costello in the Cueto case and reported in the media.

2. We conferred with Congressman Costello on numerous occasions with regard to the attacks made against him in the media and the testimony in the Cueto proceeding.

3. We investigated the factual allegations set forth above, interviewed witnesses, conferred with counsel for various individuals, and reviewed documents in order to work with the Congressman to respond to the allegations. .

4. We counseled Congressman Costello with regard to his response to media attacks relating to each of the allegations.

5. We participated in the preparation and revision of press statements.

6. We conducted legal research with regard to the appropriateness of Congressman Costello testifying about the Indian recognition bill and specifically reviewed speech and debate privilege issues.

7. We represented Congressman Costello when he voluntarily appeared as a witness before the grand jury in April 1996, and we interacted with the United States Attorney's Office on his behalf both in anticipation of the grand jury appearance and in conjunction with the possibility that he might testify at trial.

8. We reviewed the provisions of the Federal Election Campaign Act of 1971, applicable federal regulations, and the advisory opinions of the Federal Election Commission with regard to the appropriateness of the Congressman's campaign committee reimbursing our firm for legal expenses incurred in this matter.

We believe that our legal services would not have been required but for the Congressman's status as an elected official and the fact that he ran for reelection in 1996 and intends to run again in 1998. Specifically, the allegations relating to the Indian recognition act and the Haida meeting involved Congressman Costello's role as an elected public official, and certain of the allegations were likely to, and indeed did, generate press coverage which impacted on his campaign in 1996, and they may impact on his campaign in 1998. (*See, for example, Belleville News-Democrat*, May 18, 1997; *Chicago Sun-Times*, May 19, 1997.)

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Page 6

Pursuant to our recent telephone conversation, we hope the FEC will be able to respond to our request by the end of July. In this regard, if you have any questions, or desire any additional materials, please feel free to call me or my partner, Tony Valukas.

Sincerely,



Jeffrey D. Colman

JDC706B8.LET
Enc.

cc: Anton R. Valukas
Hon. Jerry Costello

In brief

Conservation Day set for Carlyle Lake
CARLYLE — The U.S. Army Corps of Engineers will hold a Conservation Day from 9 a.m. to 4 p.m. Saturday at the Carlyle Lake Visitor Center.

Activities will include an archery shoot, youth turkey shoot, trap shoot, pellet contest and a cycling contest. Additional displays include books, a ballroom, live music and concert.

Organizations wishing to participate or individuals with questions may contact Park Ranger Jim Hearn at the Carlyle Lake Project Office at 594-2464.

Crisis center

to sponsor event
FAIRVIEW HEIGHTS — The Metro East Crisis Pregnancy Center will sponsor a "Walk for Life" from 9 a.m. to 3 p.m. Saturday at Langston Park in Fairview Heights.

The walk will help raise money for the crisis center. To register or for more information, call 632-7453.

Bake and book sale set for Saturday

O'FALLON — The Friends of O'Fallon Public Library will hold a Book & Bake Sale from 10 a.m. to 4 p.m. Saturday at the old library, 101 State St.

Used books, homemade baked goods, library T-shirts and mugs, and some pieces of used furniture from the old library will be for sale. Proceeds will be used to

Cook, Costello mentioned in trial

By Cheryl Estlin
Belleville News-Democrat

EAST ST. LOUIS — Prominent names keep popping up in the federal racketeering trial of Belleville businessman Thomas Venzia.

In just two days of testimony, U.S. Rep. Jerry Costello, Belleville Mayor Roger Cook and Belleville attorney Amiel Costello and Thomas Daley each have been mentioned, although prosecution has made no connection between the men and the allegations against Venzia. The trial will resume Wednesday.

Venzia, 52, his wife, Erin Griffin Venzia, 23; his ex-wife, Sandra Nations Venzia, 39; and former lap dance club owner Art Mow, 63, are being tried in federal court in



Cook

had discussed with Venzia. Deba, who also worked for a time for BAH Vending, testified that Venzia once discussed with him the possibility of a business venture with Costello and Costello involving a liquor store in the Granite City area.

Deba said nothing over some of the discussion.

"Tom told me Jerry wanted to get out of it or didn't want anything to do with it because it wouldn't pay off politically for him," Deba said. Smith, the prosecutor, then moved onto another topic.

Costello, D-Belleville, said Thursday he has never spoken with Venzia and has met him on only two occasions — at the funeral of

See VENEZIA/4B

Train victim is in fair condition

By Denise Hollenbach
Belleville News-Democrat

A 23-year-old O'Fallon man was improving and listed in fair condition Thursday at St. Louis University Medical Center after the reattachment of his left arm Wednesday after a train accident.

Ryan Frazer, of Lot 31, Rockspring Estates, was struck by a train at 2:17 a.m. on Illinois Central tracks near New Athens.

"He's been upgraded to fair condition and he's in generally good spirits," said the Rev. Charles McGee, pastor of Central Christian Church in O'Fallon, where the Frazer family attends.

"He's in an awful lot of pain, and a little scared now. The doctors still don't know to what extent he'll have the use of his arm. He

and his family are aware that he is not done having surgery. Others will follow in the future."

The accident occurred when Frazer and his brother, Derrick, were hurrying across the track when Ryan Frazer's foot became stuck between two boards. They were able to free his foot, but the train caught Ryan Frazer on the side before he could move away from the tracks. He was thrown 6 feet in the air.

The brothers were with four friends: Don Stephenson, 19, of Cahokia; Angela Dewold and David Piate, 21, of Swansea; and Rebecca L. Bertram, 17, of Belleville.

All six in the group were charged with criminal trespass to property.

Bombs found in home

By Amber Grimes
Belleville News-Democrat

TRIOY — A distraught husband



U.S. Alcohol Tobacco and Taxation agents are also investigating Krush's alleged possession and manufacturing of incendiary devices. Federal charges of possession and manufacturing of incendiary devices were filed against Krush on Thursday, according to a federal source. Krush was being held in a federal prison in the St. Clair County Jail without bail.

A newspaper was narrowly escaped. "If he had not been off and the trailer had exploded, we would have had big problems with the debris falling down on the neighborhood trailer." They firefighters were called to investigate Krush's house. Krush was being held in a federal prison in the St. Clair County Jail without bail.

Continued from 1B
The St. Clair County Jail is a federal prison. Krush was being held in a federal prison in the St. Clair County Jail without bail.

Fire Bomb

spending the brother's insurance money. Krush was being held in a federal prison in the St. Clair County Jail without bail.

Continued from 3B
Under the state constitution, Jack Krush can remain in office until his term expires. Krush was being held in a federal prison in the St. Clair County Jail without bail.

Continued from 1B
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McAfee

Continued from 1B
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Continued from 1B
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Venezia

Continued from 1B
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Continued from 1B
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...a five-story, red brick structure. The rest are one- or two-story buildings that once housed businesses such as a sea-food store, a photo supply company and a lounge.

Kathleen Shan, the city's Heritage and Urban Design commissioner, said she will recommend approving the plan, though there is no plan to build with it standing, she said.

See CAMPUS, Page 3

Sam Lewis/Post-Dispatch
Jerry Lewis, a fourth grader at Shenandoah Valley School in Chesterfield, pushes a pie into the face of principal Bruce Hunter. The top fund-raiser from each class was allowed to push a pie into the principal's face at an event Tuesday. The school raised about \$34,000.

Venezia Cited Connections

Accused Racketeer Was Taped Bragging Of Links To Lawyer, Congressman

By Charles Beebe Jr.
Of the Post-Dispatch Staff
Thomson Venetis said he bought a vending business in St. Clair County after lawyer Amel Cuccia and U.S. Rep. Jerry Costello told him the area was about to experience a boom that would include legalized gambling, according to a government recording played in Venetis's racketeering trial Tuesday.

REP. JERRY COSTELLO, D-Baltimore

Venetis, 54, of Baltimore, was recorded by state liquor control agent Bonds Robinson at a meeting in Venetis's office in August 1993. Prosecutors said Robinson was working with federal agents in an investigation that led to indictments charging Venetis and others with operating a multi-million dollar illegal gambling scheme using video machines at dozens of taverns.

The tape, nearly two hours long, was played after Mayor Sylvester Jackson of Washington Park testified Tuesday that he took bribes of as much as \$2,000 a week from Venetis to help protect and expand gambling. The names of other politicians also were mentioned, but Cuccia and Costello took center stage in the testimony and on the tape.

In a statement made public Tuesday, Costello repeated earlier details that he had had any relationship or even a conversation with Venetis.

Costello, a Democrat from Beltsville, said, "Any suggestion that I encouraged Tom Venetis to do business in the area or that I helped him in any way is false."

Cuccia, a lifelong friend of Costello, could not be reached for comment Tuesday. Cuccia has said in the past that he was partners with Venetis in some business ventures and represented him as an attorney for a while.

Cuccia, who has said he is running for state's attorney in St. Clair County, has

See TRIAL, Page 4

Jungle Joy

Mural Comforts Youngsters Exposed To Drugs And HIV

By Martin Hubert
Of the Post-Dispatch Staff
Some St. Louis children will soon be exploring the jungle, and they won't even have to leave home.

Peter Engelstrom is donating his time and talent to paint a four-wall jungle mural for Our Little Haven, a home in the Central West End for drug-exposed and HIV-positive children. The mural features a variety of jungle creatures, including an elephant, leopard, tiger, frog and several exotic birds, all living among lush vegetation.

See MURAL, Page 3

On All Hallow's Eve, Fiendish Frights Of Every Stripe Cavort



Parade Defies School Ban In

"He cursed me in front of the principal, and the principal just tried to calm him down. But more importantly, the kids don't care if they get suspended," the teachers said.

"Even if we had the full support of the administration, school doesn't mean anything to the kids. We hold very little power over them," one of the teachers said.

One teacher pulled out his attendance book. He teachers said. Several students have been absent this year more than they've been in attendance.

"We have almost a 30 percent absent rate on a daily basis," one of the teachers said. Now can the kids learn anything if they miss so much school?

"They can't, but then again, we don't get much talking done, anyway. Most of our time is spent trying to keep some semblance of order," said a teacher.

In a town that teachers spend 85 percent of their time dealing with 5 percent of the kids? And if it is true, wouldn't it make sense to get rid of this 5 percent — maybe establish separate schools for the disruptive students — and concentrate on the 95 percent who want to learn?

"We've got 5 percent, maybe 10 percent, who need to learn."

"But then we have a great number in the middle who could go either way. Intimidated one of the other teachers. 'If there were structure in the school, if there were discipline, then they'd be willing to learn. But they don't want any from the environment and then they rebel.'"

"You wouldn't believe how unusual it's considered to do what I said the third teacher. 'I used to try to encourage them, and tell them when they did a good job. But that's self-defeating. They don't want anybody to know they did a good job on anything.'"

In an ideal world — actually, in the world we live in — parents accepted responsibility for their children. But that's not how the world their students live in, these teachers said.

TO
PLACE
YOUR
IN
MEMORIAM,
PLEASE
CALL
KATHY

672-7411
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 314-632-2000
 Dealer's Florist

[illegible]

LEGAL NOTICES

“You have to get the (then FBI director) W. J. Donovan to get the congressional correspondence equipment” and then Donovan is in the room with you.”

Winters said on the recording that he worked hard, under the guidance of Curren, to develop good relationships with local politicians. He stated that he was careful because Curren “didn’t want anybody compromising him.”

The meeting with Robinson followed a gun- shooting raid Robinson said at the VW Fort near Scott’s Air Force Base, where witnesses testified that he was on the scene.

Who was on the line gambling machines put in the park by Venetia.

On the topic, Venetia and Robinson talked about wanting to cooperate with each other, but there was no mutual reference to before. Venetia mentioned “\$50 in a week,” adding, “I don’t know the figure,” he got in mind. “Venetia would be would think about the situation more and talk to Robinson later.

Sylvester Jackson, who has pleaded guilty of racketeering, testified I wanted that he want to work for Venetia in October, 1969 to protect himself from the cash payments that, started at \$5,000 and grew to \$2,000 by 1964.

Jackson testified that Venetia called Curren the partner and had to check with Curren before making major decisions.

From page one

Trial

Other movie credits included "The Christmas Kid," which starred Eddie McQueen; and "Hartwells," with Jane Fonda.

ALTHEUS LEE KILLS, 89.

Who sold his chain of Florida bars to Nationalbank and became one of the nation's richest men, died after suffering a heart attack Sunday (Oct. 29, 1955) in Tarpon Springs, Fla.

He owned a series of Florida bars from the 1920s and '30s and built them into the Ellis Banking Corp., which grew to 75 branches in 16 countries with assets of \$1.6 billion. He sold out to NCNB Corp. of Charlotte, N.C., in 1953 for \$177 million.

Earlier marriages resulted him as the nation's 245th richest person, estimating him worth \$1 more than \$490 million.

NAT KELLY COE, 36, the son of the late movie star "King" Cole, died Oct. 24, 1955 in Los Angeles after a long illness. He was 36.

Among survivors are four sisters, his mother, Maria Cole, and his father-in-law, Nat King Cole, and his mother, Maria Cole.

ELSTWICK

Cloudy
Mostly cloudy today with
possible showers and
a storm.

High
today
66°



Belleville earns
trip to state tourney

Tigers beat Springfield 1-0



Celebrating
in Taylorville

Belleville News-Democrat

Wednesday, November 1, 1985

SERVING SOUTHWESTERN ILLINOIS

50 cents

Nation



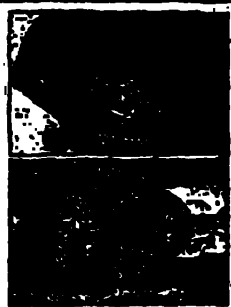
COSTLY WILL: Warren Burger, once the nation's highest-ranking judge, prepared a "woefully inadequate" will before he died, and it could cost his heirs plenty. SA

Venezia: Politics drew me to area

By Cheryl Eaton
Belleville News-Democrat

EAST ST. LOUIS — Accused gambling racketeer Thomas Venezia would not have come to St. Clair County if Belleville attorney Amadio Cosen and U.S. Rep. Jerry Costello had not encouraged him, Venezia told a state agent in 1992.

Venezia's comments were recorded Aug. 17, 1992, by Illinois Liquor Commission agent Brenda Robinson, who was working



Venezia Jackson

undercover to solicit a bribe from Venezia. The recording was played

See TRIAL/3A

City officials tackle shortfall

By Doug Moore
Belleville News-Democrat

BELLEVILLE — City officials decided Tuesday to rule out a property tax increase except as a last resort in dealing with a \$1.3 million city budget shortfall.

The Finance Committee met in special session Tuesday night to review city finances after it was discovered that the budget was off by \$1,333,833 for the current fiscal year, which began May 1.

Ward 3 Alderman Bill Knapp, chairman of the Finance Committee, explained the problem to the group.

minutes Tuesday night.

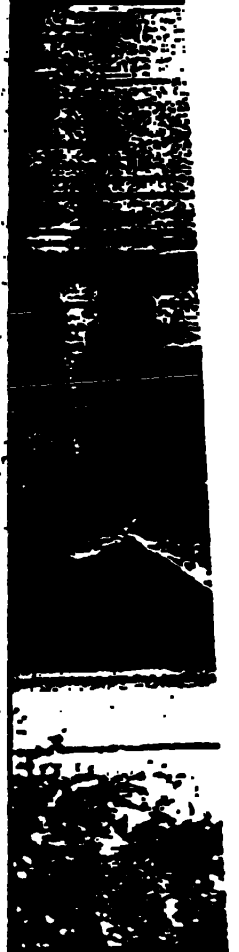
"Who dropped the ball?" asked Ward 1 Alderman Jerry Diagne.

"That's for others to decide," Knapp replied. "I don't want to fix blame, I want to look forward."

City leaders agree that the problem was made during a six-month period between when budget director Brad Kolthoff resigned in November and when current director Dick Arnold was hired in May. During the budget process, City Finance Mike Parrulli and Arnold's

See CITY/3A

Gregory candidate for post



City

Continued from 1A

efforts and said that part of the problem is that he has been getting current payroll with the Finance Commission is pre-occupied with the City Clerk Lois Hobbs' fiscal deficit. Hobbs has been out of town.

The budget was prepared with a leading balance of \$1.9 million. "I've been in a room and don't know how to get out of it," she said. "I've been in a room and don't know how to get out of it."

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Bishops

Continued from 1A

Gregory credits his appointment to the people of the diocese. "I'm sure that the examination is in relationship to my service to this diocese," Gregory said. "What even happens to me is that capacity, I completely attribute it to the need

for a vice presidency of the NOCB. You will probably be led away," he said. "The officers are selected because of their long-standing involvement with the conference and the respect that they have among the bishops."

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Trial

Continued from 1A

Tuesday during Venezia's trial following testimony by Washington Park Mayor Sylvester Jackson, a former Venezia employee who pleaded guilty to April to racketeering charges.

Venezia was heard on the tape saying that O'Connell was "in charge" of the racketeering operation. "I've been in a room and don't know how to get out of it," she said. "I've been in a room and don't know how to get out of it."

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Death

Continued from 1A

"Are you happy now?" Beison asked the victims' families. "I've been in a room and don't know how to get out of it," she said. "I've been in a room and don't know how to get out of it."

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Trial

Continued from 1A

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Friday, November 3, 1985

Jackson ties Cueto to play

Justifies Baricevic blocked move

By Veryl Easton

St. Louis Post-Dispatch

ST. LOUIS — Belleville cyclist Cueto tried to win the appointment of St. Louis Attorney Robert Haida to be the Washington Park Mayor Jackson testified Thursday.

His attempt fell through when Board Chairman John M. Bayard the idea, Jackson

zila, 52, his wife, Erin Griffin, 23, his ex-wife, Sandra Venezia, 39, and former top-b owner Art Mowa, 63, are



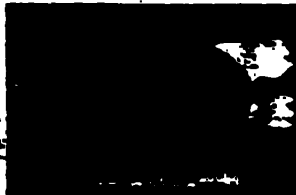
Cueto



Haida



Jackson



Venezia

being tried in federal court in East St. Louis in connection with an alleged multimillion dollar video gambling ring that operated through Venezia's B&H Vending Co. in Belleville at metro-east taverns.

Jackson, a former B&H employee who has pleaded guilty to racketeering in the case, completed three days of testimony Thursday. The trial

See TRIAL/13A

Trial

Continued from 1A

resumes Tuesday.

He said the plan to promote Haida was part of an effort to discredit Illinois State Liquor Commission agent Dennis Robinson, who had raided some B&H gambling machines. Cueto had wanted Haida to charge Robinson with bribery but Haida refused, Jackson has said.

"Am Cueto had gotten with the power that were in St. Clair County and wanted them to offer Bob Haida a judgeship and, in offering him that, Am Cueto would be appointed state's attorney," Jackson said. "It was told to me that other politicians went to him (Baricovic), and John Baricovic would not act on that."

Cueto said Thursday that Jackson's testimony was untrue.

"It's false," Cueto said. "It's ridiculous."

Haida said he had never heard about what Jackson alleged.

"I don't know anything about that," he said. "I want to be state's attorney. I enjoy my job as state's attorney."

~~Baricovic said not to be~~
testament.

Jackson said Wednesday that when Robinson testified at a Sept. 1, 1992, hearing that he was working with the FBI, Venezia and Cueto assumed that Robinson had taped recorded an Aug. 17, 1992, bribery conversation he'd had with Venezia.

Following the hearing, the men discussed their options, Jackson said.

"We went back to Am Cueto's

office, and there was a conversation where everybody realized and felt that Aug. 17 meeting was taped," Jackson said. "It was a situation where ... we got to it everything we can to discredit this gentleman, this liquor control inspector."

Jackson said Venezia told him that when Cueto failed in his attempt to get Haida to charge Robinson with bribery, Cueto decided to run for state's attorney. Cueto has said that he did not decide to run for the office until earlier this year.

In other testimony, Jackson said:

"Venezia did not have the influence with state officials to get Robinson promoted within the Illinois Liquor Commission, despite instructing Jackson to tell Robinson that he was going to arrange it. Jackson said Venezia wanted to find a way to help out Robinson without paying him money. Jackson said Venezia got the idea of having Robinson promoted from Cueto. Cueto has denied this."

"They didn't have the power to deliver that, so obviously it was just something to put on the table to stall him until they could find a way to help him," Jackson said.

He has never seen Venezia with U.S. Rep. Jerry Costello and has never heard him talking with Costello on the telephone. Venezia said in a taped conversation with Robinson that Costello and Cueto had encouraged him to do business in Illinois. Both Costello and Cueto denied this.

"Tom Venezia and Jerry Costello themselves didn't have a business relationship," Jackson said.

• In 1993, Griffin and Nations were stopped by a Washington Park police officer, and Griffin was arrested for speeding. Jackson quashed the issuing of a ticket and had the late Police Chief James Avent bring the officer to Main Street nightclub to see Venezia.

"(Venezia) started screaming up in the guy's face: as long as he lived, as long as he worked for Washington Park, not ever to stop Sandy or Erin again," Jackson said.

Jackson, 45, has pleaded guilty to racketeering and extortion charges after he is sentenced.

and is to be sentenced in February. He faces between 53 and 61 months in prison, a \$100,000 fine and the forfeiture of \$150,000.

Jackson, who has been mayor since 1989, also said that a few months ago, his village council approved increasing his expense account from \$500 a month to \$1,500 a month. He also receives \$400 a month in mayoral salary and \$600 to \$700 a month for serving on the Metro East Sanitary District Board. He must step down as mayor after he is sentenced.



Candlelight
Homes Tour

All dressed up for
the holidays

SPORTS 1D

Miller-out
Sunday

Won't quit for now



WEATHER 8D

Partly Sunny
Intervals of
sunshine and clouds
today.

High 42°
today

Belleville News-Democrat

Thursday, December 7, 1995

SERVING SOUTHWESTERN ILLINOIS

50 cents

State



MORE CANCER:
State Sen. Penny Sev-
ens says breast can-

lungs. 3B

Venezia to lose \$7.5 million

By Cheryl Eden
Belleville News-Democrat

EAST ST. LOUIS — Junes on Wednesday reduced the amount of assets sought by the government from publisher Thomas Venezia, saying he was unwilling to operating a video gambling ring.

Junes awarded the government \$7.5 million from Venezia instead of the full \$11 million sought by prosecutors, adding also that the government was hesitant in its prosecution of her owners who conspired in the gambling

operation and testified against Venezia.

"We saw Mr. Venezia to be very generous to his employees," said Al Jones, the jury foreman. "He was a very caring individual. Some of the Junes saw him to be unaffiliated because the Junes (he made) went to some establish-ments that did not have gambling machines." Junes deliberated about six and a half hours about what amount should be turned over to the government.

"We saw that the government had entered agreements with some of the tavern establish-ments and showed testimony with them," said

Junes, the only juror willing to speak to reporters and who would provide no personal information about himself. "Mr. Venezia was a generous man, and we selected that amount and did not want to forfeit the entire amount."

Junes earlier had little trouble convicting Venezia of racketeering, conspiracy, obstruc-tion, operating an illegal gambling business and conspiracy to defraud the Internal Re-vue Service, Junes said.

"There was good evidence to support the indictment," he said.

Junes acquitted Venezia of money launder-

ing because he loaned money to businesses that did not have gambling machines, and it was impossible to separate the gambling money from legitimate vending money, he said.

Junes said Junes were skeptical of former Washington Post Mayor Sylvester Jackson, who testified Venezia paid him up to \$130,000 a year to protect the gambling and acquire new locations.

"Sylvester Jackson and his character po-tayed him as a person who would have tried to make a living off an organization such as

See VENEZIA/2A

30 head out from Scott

Plane is

Court Documents Build Costello Link To Cueto

By Charles Bosworth Jr.
Of the Post-Dispatch Staff

New documents filed in the federal case against lawyer Amiel Cueto of Belleville add evidence that U.S. Rep. Jerry Costello is the mysterious person the indictment called Cueto's "undisclosed business partner."

But the motions filed late Tuesday by Cueto's attorneys contradicted the indictment's claim that the mystery man tried to get officials in St. Clair County to appoint Cueto as state's attorney.

The Post-Dispatch reported last month that sources close to the case said Costello, D-Belleville, was the person referred to in the indictment as Cueto's "undisclosed business partner who was then a public official."

The indictment did not allege any illegal activities by the unidentified partner. But it said he offered to use his political influence to get State's Attorney Bob Haida appointed judge if County Board Chairman John Baricevic would agree to appoint Cueto as state's attorney.

That version was disputed, however, by an affidavit signed by Baricevic in April and filed by Cueto's lawyers Tuesday in U.S. District Court in Benton. It was among 25 motions or memos seeking dismissal of the charges, mostly on allegations of misconduct by prosecutors.

The affidavit said Haida told Baricevic that Costello came to him in the spring of 1995 to discuss Democratic Party leaders' concerns about a "divisive and costly" campaign fight between Haida and Cueto for state's attorney. Cueto, a lifelong friend of Costello's, had announced that he was would run against Haida, also a Democrat. Cueto later changed his mind and did not run.

The affidavit quoted Haida as saying Costello asked about reports that Haida was interested in being a judge. If so, the affidavit said, "Congressman Costello would be supportive of Haida's desire to become a judge." Haida said, however, he did not want to be a judge.

The affidavit quoted Haida as telling Baricevic that Costello never mentioned Cueto and never promised Haida a judgeship if he could convince Baricevic to appoint Cueto as state's attorney.

"Haida told me that he and Congressman Costello did not discuss the matter, but that Haida assumed that, if he wanted to be a judge, I was supposed to appoint Amiel Cueto as state's attorney," Baricevic said in the affidavit. "I told Haida that there was no way I was ever going to appoint Amiel Cueto as state's attorney."

Baricevic's affidavit said he never discussed any such plan with Costello or Cueto, and there was not even a vacancy for judge at the time.

Prosecutors Obsessed

Haida and Baricevic said Wednesday they could not comment on the affidavit because the case was in federal

court and prosecutors have said the investigation is continuing. Baricevic was state's attorney for 10 years and appointed Haida to succeed him after being elected chairman in 1990. Costello had seen the chairman before Baricevic.

When informed of the affidavit Wednesday, Costello issued a written statement similar to what he said last month. He again denied that he had any business relationship with Cueto since selling an interest in a convenience store he and Cueto owned in August 1992.

But he repeated that he could not discuss specifics of the case because it was before the courts. He said he looked forward to providing details at the appropriate time.

"No one," he said, "has suggested I have done anything improper or illegal."

Cueto, 47, a prominent and wealthy attorney in the Metro East area, was indicted in July on charges of trying

to block the federal investigation that led to the gambling and racketeering convictions last year of Thomas Venezia, 53, of Belleville. Named in the new charges with Cueto were Venezia, who is serving a 15-year sentence, and Robert C. Manik, 47, a police investigator who formerly was police chief in Washington Park.

"No one has suggested I have done anything improper or illegal."

JERRY COSTELLO, U.S. Representative



Besides the allegations about trying to get Cueto appointed state's attorney, the indictment also said the "undisclosed business partner" tried to help Cueto, Venezia and others to develop a gambling casino on land owned by Native Americans in Southern Illinois. Cueto held a 50 percent interest in a company in the casino deal "for himself and an undisclosed business partner who was then a public official," the indictment said.

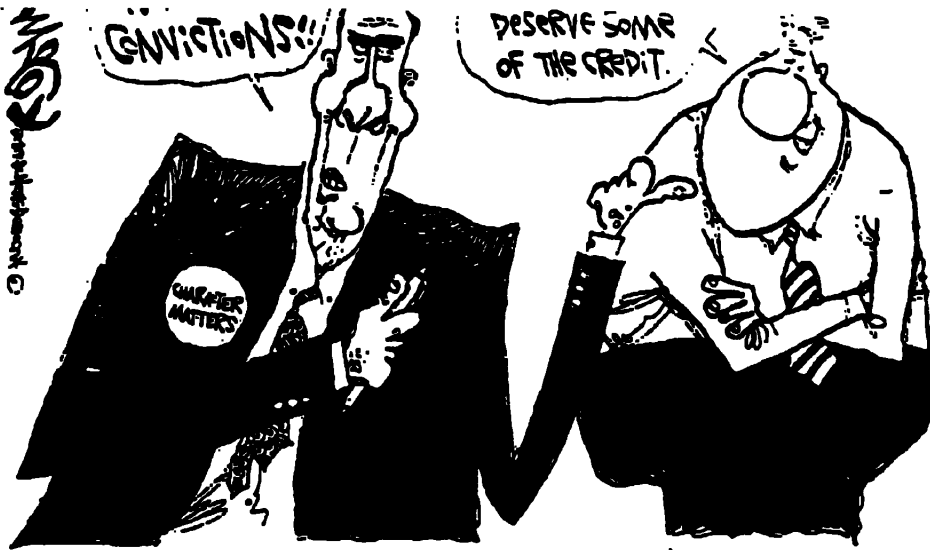
Costello has denied having any kind of relationship with Venezia, whom he said he met only once.

The motions filed Tuesday by Cueto's attorneys, Ronald Jenkins of Clayton and Edward Maag of Belleville, asked a judge to order prosecutors to identify the person referred to as the "undisclosed business partner."

But most of the court documents argued that the indictment should be dismissed because federal prosecutors committed misconduct while investigating Cueto and the others. The various motions said that prosecutors became obsessed with indicting Cueto because he ridiculed them in his newspaper, the East Side Review.

Many of the allegations against Cueto are not crimes and are, in fact, activities protected by the Constitution, the motions said. Calling officials names, running for state's attorney and many of the other activities are protected by the First Amendment, according to the motions.

The motions also said prosecutors were aware of Baricevic's account of the Haida-Costello conversations, but disregarded it. That, too, is misconduct that justified dismissing the charges, the motions said.



Our viewpoint

BND
10/29/96

Re-elect Haida

In the race for St. Clair County state's attorney we endorse Robert Haida, the incumbent Democrat, over Republican William Starnes II.

The most important qualification for this office is integrity, and both Haida and Starnes have demonstrated they have it.

Haida has shown independence when under pressure from the Democratic machine. When power broker Amiel Cueto announced he wanted to be state's attorney and Congressman Jerry Costello endorsed him, Haida could have stepped aside and been rewarded with a judgeship. Instead he stood up to Cueto and Costello and ran for re-election. Ultimately Cueto didn't run, and he was later indicted on federal obstruction of justice charges.

Starnes has run as an outspoken critic of the Democratic machine and judicial corruption when other attorneys were afraid to do so. He says his law firm fired him because he dared run against a Democrat. That takes courage.

The other important qualifications are experience and results, or the likelihood of results. In these areas, Haida is by far the better qualified.

Haida has been a prosecutor in the state and federal courts for 12 years; Starnes has no prosecutorial experience. Haida's office had a criminal conviction rate of 88 percent in 1995, and for four years in a row has had the highest conviction rate of the major counties in the state. His staff carefully screens cases before charges are filed to make sure his office's limited resources are devoted to cases that can be won. That's drawn him some criticism, including from us on several cases we thought should have been prosecuted. However, the positive effect is that criminals know that if a case is prosecuted, conviction is likely. Haida points to a case just last week in which a defendant pleaded guilty to first-degree murder without any kind of deal. That's a tribute to his office's effectiveness.

Other countywide races

In the race for St. Clair County coroner, Republican challenger John Reed of O'Fallon gets our endorsement.

Reed, a retired teacher, said he decided to run because he is fed up with corruption in the county. Reed promises to bring integrity to the office and has been recruiting experts and police departments to assist him. He also has had the political savvy to seek and gain the endorsement of Secretary of State George Ryan.

Perhaps most importantly, Reed wants to be the coroner. Incumbent Rick Stone has made it abundantly clear that he doesn't, and that the job he really wants is sheriff. St. Clair County deserves a coroner who is focusing on his own job, not on some one else's.

☆☆☆

In the auditor's race, we endorse James R. Meyer of New Athens. Meyer is the principal of Ellis School and has been the treasurer of the Harmony-Emge School District for 27 years. He has a wealth of ideas for making the office more efficient. Among them: He wants to put the county's independent audit out for bid and believes that would reduce the costs dramatically. He would

push to consolidate the county's 80 funds into a more manageable number, and ensure that audit reports are completed on schedule (he says they often are five or six months late). He also wants a more aggressive investment program so the taxpayers could get a better return on their money.

Incumbent John Driscoll, who has held the office 16 years, seems content with maintaining the status quo. Meyer, on the other hand, intends to go before the county board and push for change. That's a quality St. Clair County needs in its auditor.

☆☆☆

In the race for recorder of deeds, we recommend Republican William T. Jacks Sr. over incumbent Michael Costello. It's no secret that the recorder's office operates on autopilot now because Costello is seldom there. The Democratic Party ought to be embarrassed to back a no-show for re-election.

Jacks is a computer consultant and has a back ground in records management and design automation — experience that is well-suited to this office. We think his expertise would help the county computerize records and improve efficiency. And wouldn't it be great to have a recorder of deed who actually earns his paycheck?

VOTERS TRUST REPUBLICANS TO DEAL WITH TOUGH ISSUES . WANT BALANCE

END
11/3/96

Voters give Republicans high marks on the way they have dealt with our most pressing problems since gaining control of the Congress and the State House. The Republicans in Congress made good on their promises to shrink the size of government and reduce the amount it takes you. They reformed welfare and put the Federal Government on the path to fiscal responsibility.

In Illinois, Republican Governor Jim Edgar and the Republican-controlled legislature put the State's fiscal affairs in order and ushered in much needed and long overdue reforms. They balanced the budget. They even reduced the State's debt by \$881 million. They increased spending on education by \$288 million. They increased spending on law enforcement and prisons—ALL WITHOUT INCREASING TAXES.

The Republicans also reformed the misguided and often abused welfare system. They put in laws which will move recipients from welfare rolls to private payrolls. Teen mothers were required to live at home and finish school. At the same time, the Republicans significantly increased child care programs to help unwed mothers get help with their children while earning a degree, or acquiring marketable skills so they can support themselves and their children—again, without increasing taxes.

The Republicans also instituted Tort Reform which served to curb excessive lawsuits that did more to increase your insurance premiums and punish business than to fairly compensate citizens.

Quality First Education Reform was the crowning accomplishment of the Republicans in which the focus of education is now on quality, not politically correct content.

They also passed the Convicted Child Sex Offender Notification law which lets you know when a sex offender has moved into your neighborhood.

The Republicans on the St. Clair County Board voted unanimously against a big pay raise for politicians while the Democrats voted it in. The St. Clair County Republican Party endorsed caps on property taxes. GOP Board Members have stood up against political and judicial corruption. They fought wasteful spending, including the Democrats' award of a multimillion dollar contract at Mid-America Airport to an out-of-state nonunion company, Harris, even though the bid of local Ameritech—with union employees—was a million dollars less than Harris' bid. Just this past week the Democrats again gave Harris a big county contract even though there was a much lower bid.

Locally the Republican Agenda focuses on making our neighborhoods safe and stable. They are fighting for more fiscal accountability.

The local Republicans also oppose the continued funding of the East St. Louis Board of Election.

The Local Republican Candidates are not career politicians, rather, they are highly respected, honest, and dedicated members of the community. They have established themselves as an honest, competent alternative to the present stagnant, scandal-ridden Democrat machine.

DEMOCRATS PLAGUED BY SCANDAL, CORRUPTION AND DISCRED LIBERAL AGENDA

Voters in St. Clair County have lost confidence and respect for the local Democratic Candidates. As Federal Prosecutors close in on the massive Venetian Crime Syndicate, some of the most influential members of the local Democrat Party are being implicated. There was evidence at the first Venetian trial that Venetian was actually invited to St. Clair County to set up his criminal enterprise by Jerry Costello and Amiel Curren. The Federal Prosecutors also offered undercover surveillance evidence of Gangster Venetian, bragging that he controlled 15 of our 17 judges.

The Democrats, who control local law enforcement, are losing the war on crime. According to the official statistics of the State Police and the Illinois Criminal Justice Information Authority, violent crime in St. Clair County has doubled in the last few years, while the rate of prosecution of crimes in this County is only half of what it used to be.

Voters are upset that the Democrats on the County Board made sure that the citizens of St. Clair County couldn't vote on a property tax cap referendum. The St. Clair County Republican party endorsed property tax caps and believes the voters should have been given the opportunity to vote on it. The Democrats' opposition to property tax caps followed their vote to give local politicians big pay raises—something the Republican County Board members opposed unanimously.

Voters also feel betrayed by the local Democrat officeholders who received special tax treatment in their property taxes while they opposed placing caps on the taxes the average citizens have to pay. An investigation of the official records at the County Assessor's Office uncovered conclusive evidence that Democrat officeholders were paying far less in taxes than their neighbors who had comparable homes. John Bari bragged at a meeting in Mascoutah that his property taxes haven't gone up in 10 years! That has no experience of the rest of the taxpayers in St. Clair County.

Voters are growing increasingly alarmed by the fact that the local Democrat officeholders have spent nearly \$330 million of taxpayers' money on Mid-America Airport, but have yet to get one commercial passenger or cargo carrier to agree to land at the airport. They have left management of the airport in the hands of the County Public Building Commission which is made up of Democrat Party hacks who have no experience in running an airport. Instead of trying to make sure planes will actually land at that airport, the Democrats are vying to get federal approval to launch spacehips. Launching spacehips? The voters prefer the more serious proposal of the Republicans, who want to bring in professionals to run our airport and attract passenger airlines and air freight carriers to use it.

Voters are offended and embarrassed that the Democrats have allowed St. Clair County to become the sleaze and vice capital of the Midwest. Under their leadership, strip joints, massage parlors, and adult bookstores have flourished. Prostitution is practiced openly. Such sleaze brings crime to the area and chases away legitimate business.

Prosecutor: Costello involved

By Cheryl Eaton

Indeville News - Democrat

EAST ST. LOUIS — U.S. Rep. Jerry Costello pushed legislation in Congress to make possible a casino deal from which he was to profit, a federal prosecutor said Wednesday.

Costello also offered St. Clair County State's Attorney Robert Haid a judgeship if Haid would help get Amiel Cueto appointed state's attorney, Assistant U.S. Attorney Miriam Miquelon said during her opening statement to jurors in Cueto's federal criminal trial in East St. Louis. Testimony will begin Monday.

Costello issued a statement Wednesday afternoon denying the allegations.

In her 90-minute opening statement, Miquelon confirmed a year-and-a-half of speculation that prosecutors would link the Democratic congressman from Belleville to back-room deals with Cueto and Cueto's business partner turned adversary, Thomas Venezia.

Venezia, who pleaded guilty in the case, made the same allegations in a recent confession — allegations that first sprang from his 1993 racketeering trial.

"Venezia went to Amiel Cueto with a problem," Miquelon told jurors. "Cueto's solution ... was to apply Venezia with protection using his role as an attorney to manipulate the federal and state court systems; using his political connections in the Democratic Party to reveal those who would not agree with him; using his law practice to

See TRIAL/8A



OPENING STATEMENTS: JURY IN THE TRIAL OF AMIEL CUETO

ibes conspiracy

And he put out the word that no police officer was to go into Venezia's clubs, or his stops.

And you will hear evidence in this case about what happened when one police officer in Washington Park tried to violate that policy, and arrest one of Venezia's people.

Venezia also used Sylvester Jackson to do political favors for himself and Arnel Cuto, including Venezia's request that Mayor Jackson appoint Robert Roman, their co-conspirator, to the job of top cop, director of public safety, in Washington Park.

And Mayor Jackson came through with that political favor for Arnel Cuto.

Mayor Jackson also supplied another form of protection for Venezia's illegal business, his illegal gambling business, that the defendant, Arnel Cuto, also knew about in 1932.

Mayor Jackson issued deputy marshal commissions to Venezia's employees so that they could carry a gun and protect all the gambling cash and all the other cash that they carried

by.

That business was set up to acquire the exclusive rights to develop the riverfront, 32 acres of riverfront property in East St. Louis, in anticipation of licensing being given to riverboat gambling.

Now, as part of that deal, you are going to hear that Arnel Cuto loaned Tom Venezia \$500,000 to do the deal, and even though the deal doesn't go through at that time, Venezia and Cuto were surely trusted business partners by the end of 1931.

You are going to hear testimony from Master Sgt. Vic Morris of the Illinois State Police.

And he'll tell that you that beginning around 1932, the Illinois State Police and the Illinois Liquor Commission got together on a special joint law enforcement task force to clean up vice operations in Southern Illinois.

And that vice investigation grew, including looking at video gambling machines.

The gambling investigation

The Illinois State Police had received numerous complaints from people, that people were going into taverns and gambling away their paychecks.

And that's really what got the Illinois State Police going on this particular investigation of the video gambling machines.

The Illinois Liquor Commission already had an agent working down in Southern Illinois, in the counties of Southern Illinois, and his name, ladies and gentlemen, was Agent Bonds Robinson.

It was the job of a Liquor Commission agent to do routine inspections of liquor licenses to make sure that they were following the Illinois Liquor Control Act, and the regulations that are written by the Illinois Liquor Commission.

It was Agent Robinson's job, or part of his job, too, to make sure that the licensees were not gambling.

And if they got caught, he had to go out and get another law enforcement agency, the Illinois State Police, to come in and do the actual arrest.

Now, the Illinois State Police and the Illinois Liquor Commission knew that the tavern owners were very careful about who they paid off to, because if you paid off to a law enforcement officer, right, you would get arrested.

So the way that they were going to do this investigation was as an undercover operation.

And you will hear testimony at this trial about what an undercover operation is, and why agents have to act in an undercover capacity in order to get evidence of a crime.

The Illinois State Police and the Illinois Liquor Commission agreed in 1932 that officers would go undercover, they would act like regular customers in somebody's bar, play the machines, get paid off, and find out which tavern owners were engaging in this business, and where these machines were ultimately coming from.

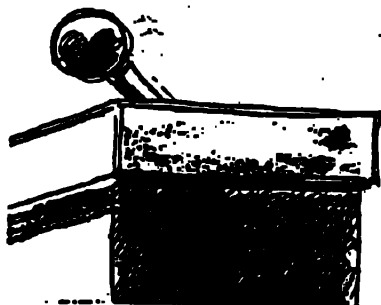
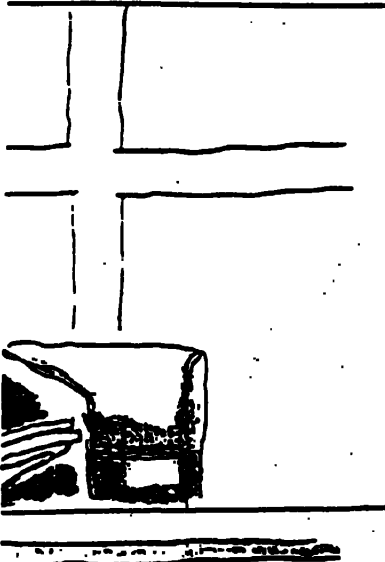
And you will hear testimony from an FBI agent that as an investigative tool, law enforcement officers are frequently required to participate in the crime, as these law enforcement officers did, to catch the criminals.

The evidence will further show that Agent Robinson was well trained by 1932 in undercover work with joint state and federal task forces investigating vice investigations.

Since at least 1937, Agent Robinson had been working along with the FBI in another undercover operation, posing as a corrupt Liquor Commission inspector, involving a prostitution vice investigation occurring out of Brooklyn, N.Y.

On March 8, 1932, Agent Robinson entered the VFW Post 4183 located outside of Scott Air Force Base.

He went in on a routine inspection and found



who would not agree with him, and using his law firm to engage in what turned out to be a four-year long crusade to interfere with the investigation and prosecution of Venezia's illegal racketeering gambling enterprise.

You will hear testimony from various law enforcement officers that the FBI's job is basically to investigate crimes, with the purpose of turning over that evidence to a grand jury, who then investigates further, and decides whether a criminal prosecution should be brought by indictment.

Once the case is indicted by the grand jury, it's assigned to a federal district court, just like the one, where a trial may take place.

The evidence will show that it is that fundamental system of justice that the defendant and his co-conspirators sought to interfere with in the prosecution of the gambling business.

The evidence will further show that Cusato's motive for protecting Venezia arose mostly out of his own self-interest.

Amel Cusato became friends with Tom Venezia after representing Venezia on criminal charges.

Venezia had been charged as a felon in possession of a weapon, and he pled guilty to that charge.

Beginning in 1991, and continuing through at least 1994, Cusato and Venezia engaged in multi-million dollar business deals in which they became business partners.

On many occasions, Cusato and Venezia borrowed together from banks hundreds of thousands of dollars.

On one occasion, one million dollars, to fund these business enterprises.

Now, some of these deals involved legitimate gambling businesses.

One did not.

Cusato knew that Venezia's ability to do these deals rested on his ability to earn his living from the largest single income-producing asset that Tom Venezia had.

And that was the multi-million dollar legal gambling business, B&M Vending/Ace Music.

And I'm going to tell you more about these business deals in a moment, and that will also shed some light on how Robert Remark fits into this conspiracy.

The evidence will show another motive for Cusato needing to protect Venezia from becoming charged and convicted by the federal government.

Cusato himself had become a silent partner with Tom Venezia in one of Venezia's tavern nightclubs, called Club Exposed in Carmine, Illinois. Venezia, with Cusato's knowledge and consent, operated the legal gambling business out of that tavern nightclub.

The evidence will show that Cusato not only knew about the legal gambling business, but he became a participant in Club Exposed in that business.

Counts 2, 3, 4, 6 and 7 of the indictment charge the defendant, Amel Cusato, with obstruction of justice, endeavoring the attempted obstruction of justice.

By highlighting several, but not all, of the ways described in Count 1, the conspiracy count, and these are the ways that he sought to interfere with the Federal Bureau of Investigation, the grand jury of the Federal District Court, while these institutions were trying to do their job in the due administration of justice.

As we review the evidence of the conspiracy charges in the indictment, many of these things that you will hear about also apply to these other counts.

And I tell you when we get to evidence that they have obstruction to several counts in the indictment.

And again, this is not all of the evidence in the government's case; just a thumbnail sketch of what we believe you will hear, so you will have some idea of what is going on at this.

We ask that while you are listening to the testimony about this defendant's conduct, that you pay careful attention to what the defendant knew, and when he knew it.

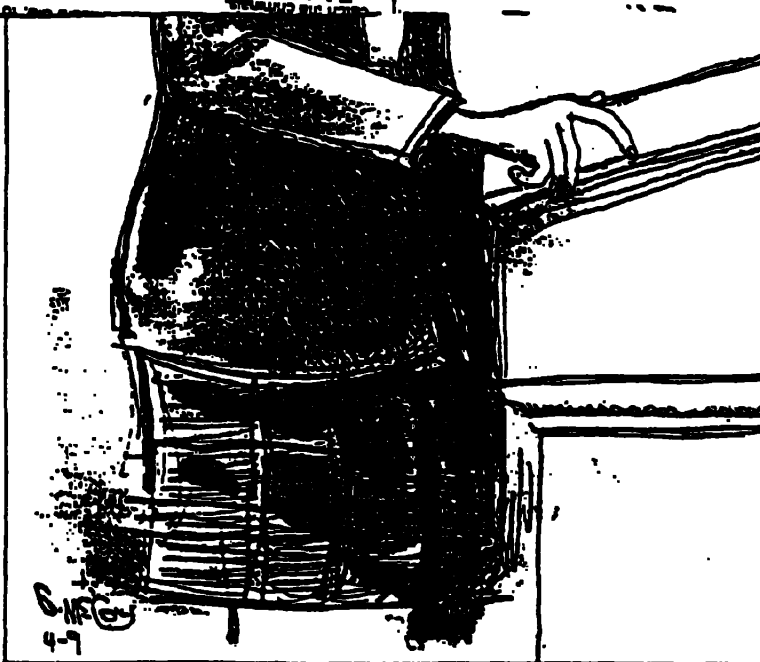
Because that, ladies and gentlemen, that evidence will establish to you his motive and reason for doing what he did, when he did it.

Court 8 charges a second conspiracy.

Again, Amel Cusato is charged with agreeing with Tom Venezia and others to obstruct the lawful function of a federal grand jury.

This grand jury is a different grand jury than the one that you have just heard about.

The evidence will show that this corrupt interference of Cusato, Venezia and others ended in failure when in December 1995, Tom Venezia and B&M Vending were convicted, after a jury trial, for



OPENING STATEMENT: Lead prosecutor Miriam Miquelson addresses the jury Wednesday.

As the trial goes on, you will see documents, and hear evidence from other witnesses, that will also prove to you the facts that Venezia will tell you about.

And Tom Venezia's story begins in or around '88.

The vending business

Venezia purchased a business called Ace Music from a guy named Gus Heimer.

Venezia had been operating a tavern nightclub with Sandra Nelson-Venezia. It was called Main Street, and it was located in Washington Park, Ill.

As part of that nightclub operation, Tom and Sandra operated the legal gambling business, using video gambling machines that were supplied by Ace Music.

And during this trial, the government is going to ask Judge Lumbough to take judicial notice of the laws in Illinois that make it a crime to operate a land-based illegal gambling business; or aid someone who operates a land-based illegal gambling business, using video gambling machines. A conviction on the first arrest is a criminal misdemeanor.

A conviction on a second arrest is a Class 4 felony.

You will also hear evidence that a tavern owner can lose his liquor license if he engages in the business of buying out on these video gambling machines.

When Tom Venezia took over the business from Gus, and bought the business, Tom goes with Gus along the route to visit the gambling stops, that are principally taverns.

And Heimer empties out the gambling machines, reimburses the tavern owners for the gambling payouts, and then does a 50-50 cash split with the tavern owners, 50 percent to them; 50 percent to Gus.

Now, when Venezia buys the business, he dramatically changes the gambling business.

Because he has installed in the machines bill acceptors. And that increases the pay, because people aren't going to get change any more, they are putting bills in.

And when these machines were already configured for gambling check-off switches, in and out meters, and retention ratio settings, and all the things that added the gambling machines.

He also reversed the route men's routes from the \$300 to \$3,000. And the route men used this cash to deliver money to the taverns so they had money to pay off the winners who played the gambling machines, or they had money to make change for people who played the gambling machines.

With one phone call, a tavern owner could order cash, or receive free service, merely by leaving a message on the answering machine.

It was a service that had a tape, and they would immediately dispatch someone from the compa-

ny attorney to protect their liquor licenses, if they had any problems with the Illinois Liquor Commission, as a result of gambling arrests.

And the law firm, ladies and gentlemen, that Tom Venezia supplied to his tavern owners was the defendant, Amel Cusato's law firm.

Now, Cusato knew about Venezia's participation in the gambling business from the time that the Illinois State Police started making raids on Venezia's own tavern club, Main Street, going all the way back to 1988.

Because Tom brought Amel Cusato one of the criminal charges that was made against his own employee, Helen Shanahan, to take care of it in St. Clair County, and that charge was — involved an illegal gambling charge for paying out on the machines at Main Street.

At the time, Amel Cusato had another attorney in his law firm handle that gambling charge. His name is Tom Daley.

Again, in 1990, Cusato's law firm handled another gambling charge on one of Venezia's employees, and that was an employee who was arrested at the 101 Club.

In that case, Amel Cusato even filed his own appearance as the attorney. And Tom Daley also handled the case with him.

So the evidence will be clear that Amel Cusato knew what kind of illegal gambling business was being operated.

Tom Venezia used Amel Cusato's law firm because Venezia understood also from Cusato that he had strong political ties in St. Clair County, and Cusato led him to believe that he could exercise some control over the judges who were sitting in St. Clair County in that courthouse.

Now, Venezia also provided special protection to his own nightclubs and his other gambling stops that operated in Washington Park.

First, Venezia hired the mayor of Washington Park, Sylvester Jackson, and put him on the payroll of the gambling business.

Before Mayor Jackson accepted the job, he asked Venezia if there was a problem, like a conflict of interest, in him taking a job on Venezia's payroll while he is the mayor of the village of Washington Park.

So Cusato — Venezia tells him, "I'll talk to my lawyer, Amel Cusato."

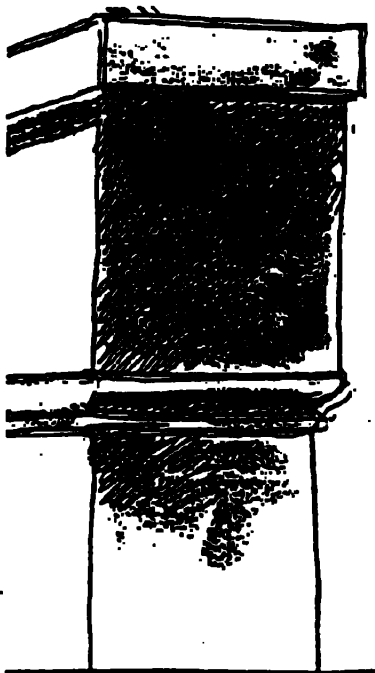
And Venezia does talk to Cusato, and Cusato tells him if there is any problem, he'll take care of it.

You will hear testimony from Sylvester Jackson at this trial that he was paid by check, and also by cash.

That cash came from money skimmed from the gambling operation.

Sylvester Jackson will also tell you that he has been convicted of extortion and racketeering.

Now, Mayor Jackson controlled the Washington Park Police Department and the director of public safety. That's the top cop of Washington Park.



Wednesday during Amiel Cusato's federal trial.

around on the route.

And so that they could also flash their deputy marshal commissions when they were stopped by other police officers, so that they could get a pass.

Cusato knew about the private police force created by Mayor Jackson and Tom Venezia.

You will see in this trial a sworn affidavit that the defendant, Amiel Cusato, prepared for Milan Venezia to sign, and attached to that affidavit, where he swears under oath that he has the deputy marshal commission, is a copy of the commission signed by Mayor Jackson.

Milan Venezia will testify that he has never supervised any law enforcement services for the village of Washington Park.

At the time that Amiel Cusato prepared that affidavit for him to sign in 1982, Milan Venezia was a feared gambling route collector for his father, Tom Venezia.

Milan Venezia will also testify that he is a convicted racketeer.

Eventually, in 1980 Tom Venezia purchased a vending company known as B&H — B&H Vending, and he merged B&H Vending with Ace Music, and he calls it B&H Vending/Ace Music, and he continues to operate it as B&H.

Now, B&H have one operating bank account into which all of the cash from the gambling and the vending was deposited.

And you will also hear testimony in this case, ladies and gentlemen, that B&H Vending was convicted of racketeering.

The racketeering enterprise built by Tom Venezia around this legal gambling business siphoned the cash and the assets that Tom Venezia needed to enter into all of these various business deals that you are going to hear about with Amiel Cusato.

And these deals start in '81 and they go through '85.

And you are going to hear names like Lakeside Casino Millennium III, Lakeside Port and Harbor Authority, DKCO, Harb. Millennium III, Enclave Casino.

And you will also hear about the business deals between Venezia, Cusato and Romanik.

You will hear the testimony of the attorney Tom LaChen, who put many of these business deals together for Amiel Cusato, Tom Venezia, and Romanik.

You will hear that in 1981, Venezia purchased Cusato's office business at 133 West Main St. in Bensenville, Ill., for \$190,000, and used this B&H money to close on the deal.

And then you will hear that Tom Venezia moves the corporate offices of the gambling business in that building and operates the gambling business.

In December of 1981, you'll see documents that Tom LaChen prepared for Tom Venezia and Amiel Cusato to form the Lakeside Port and Harbor Author-

ity. The evidence will further show that Agent Robinson was well trained by 1982 in undercover work with joint state and federal task forces investigating vice investigations.

Since at least 1987, Agent Robinson had been working along with the FBI in another undercover operation, posing as a corrupt Liquor Commission inspector, involving a prostitution vice investigation operating out of Brooklyn, Ill.

On March 8, 1982, Agent Robinson entered the VPW Post 4183 located outside of Scott Air Force Base.

He went in on a routine inspection and found some Liquor Commission — strikes that — liquor code violations.

While he was there, he interviewed the cartoon manager of the VPW. His name was Mel Swenson. And at that time, during the interview, Mel Swenson admitted that the V — you know, the VPW was also called the V — that the V was operating an illegal gambling business, and at that time, Mel Swenson signed a confession.

And Mel Swenson will tell you from the witness stand that he signed the confession because it was true that they were operating an illegal gambling business, using gambling machines supplied by B&H Vending.

Vice Commander at the V was J. C. Graham, who also wrote out and signed a confession on March 8, 1982, and that confession, you will hear, was not coerced.

The St. Clair County Sheriff's Department was called that day, and Mel Swenson was arrested on a criminal gambling charge of keeping an illegal gambling place.

And then Tom Venezia got a call from the V, looking for the protection that he had promised.

Venezia had this criminal charge delivered to Amiel Cusato, and Amiel Cusato had Tom Daley handle the case.

Neither Cusato nor Tom Daley ever called Mr. Swenson.

Without ever having to meet his attorney or even appear in court, Mel Swenson's criminal charge was taken care of.

But what Mel Swenson didn't know is that on April 1, 1982, that Tom Daley entered a guilty plea on his behalf to that criminal charge, and Mel Swenson was sentenced by the state court in St. Clair County to 30 days of court supervision.

He will tell you that he never knew that happened.

Now, despite the guilty plea, however, ladies and gentlemen, the V continued to operate the illegal gambling business.

That particular stop that Agent Robinson happened to stumble on was one of the most valuable gambling stops of B&H Vending.

On a weekly basis, that stop could do \$3,000 to \$4,000 in gambling collections for B&H.

Now, after the Illinois State Police became aware of the operation at the V, they started sending in undercover troopers to get paid off on the gambling machines.

And it was around this time in April of 1982 that Agent Robinson, who was then still working with the FBI on the prostitution case, mentioned the illegal gambling investigation to the FBI.

On April 23, 1982, Agent Robinson, along with the Illinois State Police, entered the V, and they arrested Baron Moore and Patrick Stone on charges of keeping an illegal gambling place, anding out of undercover payouts that these men had made to Illinois State Troopers that month.

Tom Venezia again called Amiel Cusato's law firm, because some of his gambling machines were seized at that time, too, and he called him to have Amiel Cusato take care of the problem.

And Baron Moore and Patrick Stone's case were sent over to Amiel Cusato's law firm.

At the same time, Tom Venezia and Mayor Jackson agreed that Jackson would call the governor's office to find out where all of this heat was coming from on Tom Venezia.

And then Tom Venezia went to seek Amiel Cusato's advice.

Venezia reported to Cusato that Agent Robinson was asking to meet with someone in charge at B&H, and what should Venezia do?

The defendant tells him, "Sounds to me like (Robinson) wants a bribe."

Cusato instructs Venezia to then meet with another lawyer in his firm, Tom Daley, and called Agent Robinson's supervisor at the Illinois Liquor Commission to complain about this.

Now, Venezia agreed to do this, because he thought this was a great idea: this would get Agent Robinson off his steps.

The evidence will show that at the time, Cusato advised Venezia to make the call, Cusato's law firm was representing three VPW employees; Swan-

See PROSECUTION/A

Venezia Talks Of Three-Way Casino Deal

By Charles Bonworth Jr.
of the Post-Dispatch Staff

U.S. Rep. Jerry Costello, D Belleville, held an equal, one-third interest with Ariel Cueto and Thomas Venezia in riverfront land where they planned to put a riverboat casino in 1993, Venezia testified Wednesday in Cueto's federal trial.

Venezia, an imprisoned gambling racketeer, told jurors that Cueto said Costello, his boyfriend friend, would be a partner in the casino. "If he didn't stay in Congress, or something to that effect."

Assistant U.S. Attorney Miriam Migonette asked how the property on the East St. Louis riverfront was to be divided.

"Three-way split, between three parties," Venezia said.

"Who were these three parties?" Migonette asked.

"He — Ariel Cueto — myself and Jerry Costello," Venezia answered.

A spokesman for Costello said Wednesday that Costello would not comment directly on Venezia's testimony. But the aide noted that Costello has

repeatedly denied having any business relationship with Cueto since August 1992, when Cueto bought Costello's interest in a convenience store they owned together in Granite City.

Costello also has denied having any business or personal relationship with Venezia, whom Costello said he had met only once.

A spokesman for Costello said Wednesday that Costello was on the list of 92 potential witnesses read in jurors last week, but it is undetermined if he will be called to testify.

Venezia finished two days of testifying for prosecutors under a plea agreement Wednesday and is to be cross-examined by Cueto's lawyers today.

On Wednesday, Venezia identified a letter to Costello that Venezia said laid out the ownership of the land by the three men. The letter, purportedly on a screen in the courtroom, was dated Dec. 30, 1993, and was written on letterhead from Cueto's law firm. It was addressed to Costello at his congressional office at 327 West Main Street, Belleville. The heading of the letter said it concerned the property on Front Street in East St. Louis.

See TRIAL, Page 10



Costello

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Trial

From Page one

Mr. Miquelin took the letter off the overhead projector before it could be read by reporter. U.S. District Judge Stephen Limbaugh later denied a request by the Post-Dispatch for access to the letter after it was placed in evidence. He cited court policy on media access to evidence.

A similar letter addressed to Venezia was shown briefly on the screen. Venezia then identified a legal description of the property, which was titled "S.L. Castello Inc." and Venezia said it was prepared by a title and escrow service in Houston.

Venezia said Cusco had told him to have the letters prepared by lawyer Thomas LeChien of Belleville, who handled such matters for Venezia, or the ownership would be spelled out on the record.

LeChien, who also may be witness in the trial, had no comment Wednesday.

Venezia's testimony did not address who now owns the land.

Miquelin told the jurors in opening statements last week that the letter proved Castello was a "silent partner" in the casino deal. She said Cusco was told LeChien wrote the letter and after the end of the year to avoid some reporting requirements.

Robinson also said Cusco enlisted Castello's help to try to get a bill passed in Congress to recognize an Indian tribe so the men could try to open the first high-based casino in Illinois. She said Castello was the person referred to in the indictment as Cusco's "undisclosed business partner" who was then a public official.

She said Castello also sent letters to others involved in the effort to get the bill they were interested in passed.

She said Castello denied that he had written, sponsored, co-sponsored or testified in favor of any legislation.

Farthest From The Water

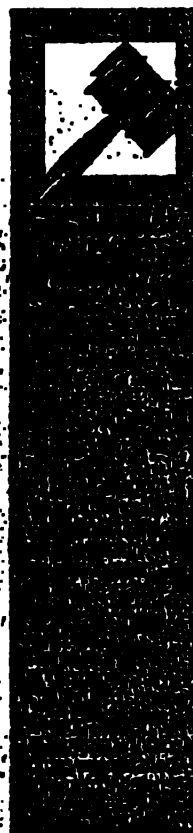
gambing.

Venezia also said Cusco was his "silent partner" in ownership and profits from the Club Escondido night club in Centerville.

Venezia said he and Cusco were involved in many business deals together, including the purchase of the Laclede Club Co. and an asbestos-removal company called Millennium III. But Venezia said he would not have participated in any of the deals without the illegal-gambling profits and Cusco knew that.

Led through hours of detailed testimony by Miquelin, Venezia said Cusco often filed documents in court that he knew contained false statements about Venezia's business. Many of those involved Cusco's efforts to "set up" state liquor agent Bonds Robinson, who had begun investigating Venezia's operation in 1992. Venezia said he and Cusco had kept Robinson working undercover with the FBI long before Cusco filed many court documents accusing Robinson of being a corrupt official shaking down Venezia for a bribe.

Robinson disclosed the federal investigation after Cusco got him on the witness stand in a surprise hearing in St. Clair County in 1992. Associate Judge James Radcliffe refused Robinson's request for a lawyer and then issued an injunction ordering him not to interfere illegally in Venezia's business.



We're

HOW

WHITE WICKER FURNITURE

Costello baggage: Old links to Cueto

By Michael Pearson
Associated Press

EAST ST. LOUIS — Before Jerry Costello became a congressman — before he even became a politician — there was Amiel Cueto.

They grew up together in East St. Louis, lived next door to one another and became business partners. Costello grew into a powerful politician; Cueto, a successful lawyer and Costello Democratic Party money man.

Now, Costello, D-Bellefonte, finds himself running from his old friend, who is on trial in U.S. District Court accused of masterminding a grand scheme to protect a gambling ring worth millions.

Costello denies having had anything to do with Cueto since rumors of wrongdoing surfaced in 1992.

Prosecutors say they'll prove otherwise. They say Costello brought his influence to bear on behalf of Cueto's plan to get himself appointed St. Clair County state's attorney so he could prosecute a liquor agent working to bust the gambling ring. They say he also stood to gain from a failed plan to site a land-based Indian casino in Southern Illinois.

Costello was instrumental in gaining congressional recognition for an Indian tribe that prosecutors say would have been used to create the casino.

Prosecutors call Costello a "silent partner" in the deal and say Cueto had already staked out a share of the proceeds for him.

In a series of terse, similarly worded statements issued since Cueto's troubles began, Costello has denied everything. Costello has not been accused of any crimes.

Accusations involving him come mainly from two sources: the federal indictment against Cueto and Tom Venezia — Cueto's onetime friend, client and business partner — and the convicted racketeer on whose

33-page confession much of the federal case is based.

Cueto is accused of scheming to thwart a federal investigation into a video gambling ring operated by Venezia. The ring grossed nearly \$48 million over six years, prosecutors say.

The indictment doesn't name Costello but refers to Cueto's "undisclosed business partner," a public official who used his position to help get the Indian casino off the ground.

In opening statements of Cueto's trial April 9, Assistant U.S. Attorney Miran Miquelon said Costello was that business partner and accused Cueto of recruiting him for a "four-year crusade" against agents investigating Venezia's video gambling operation.

She said Costello, acting at Cueto's behest, tried to persuade State's Attorney Robert Haida to step aside in 1994 so Cueto could take the job.

Cueto wanted to become state's attorney so he could push charges against agent Bonds Robinson of the Illinois Liquor Commission, who federal authorities say was working undercover to bust the ring.

Haida, prosecutors say, rejected the plan.

Costello hasn't commented on his meeting with Haida, but Cueto's lawyer and County Board Chairman John Baricevic said it was innocuous.

Chief Circuit Judge Stephen Kernan has also said he believes Costello sought Kernan's resignation in 1995 so Cueto's brother, who is a circuit judge, could be promoted.

Kernan said he was told that Costello, backed by Cueto's money, would have ensured an election loss for the judge if he didn't agree to step aside.

Costello has denied the allegation.

Costello is named on the prosecution's witness list, and Miquelon said it was possible that he would be called to testify. And she says that testimony is likely to hurt the cause of his lifelong friend, Amiel Cueto.

Whether it will help Costello's cause is anyone's guess.



OPINIONS

BND
4/30/97



Just a coincidence?

U.S. Rep. Jerry Costello says it's a coincidence that he was trying to advance riverboat gambling in East St. Louis at the same time his friend and business partner Amiel Cuto may have been trying to gain control of the riverfront.

According to testimony in Cuto's obstruction of justice trial, Cuto was a partner in a company that almost gained exclusive development control of the East St. Louis riverfront in early 1992, before riverboat gambling began. In a news story Sunday, we noted that about the same time, Costello tried unsuccessfully to get the proposed riverfront national park boundaries changed to accommodate a gambling boat.

Costello, through his spokesman Brian Lott, said he did not initiate the change — that it was brought up at the urging of the Southwestern Illinois Development Authority and the city of East St. Louis. (A guest viewpoint from Lott appears at the right.)

Maybe that's true. There is no doubt that the city and SWIDA supported the idea of carving out a place for a gambling boat, although it is not clear from the letters sent at the time who initiated what.

Lott also said Costello knew nothing about Cuto's riverfront plans. Perhaps, although that's more difficult to imagine. The riverfront proposal was big news in January 1992, and Cuto publicly identified himself as the attorney for the group and acted as its spokesman. At the time, Costello and Cuto were still business partners in a convenience store. It would be surprising if friends and business associates as close as Costello and Cuto would not have discussed the deal.

Consider, also, all the times the two are said to have teamed up. Among them:

- In the case against Cuto, federal prosecutor Miriam Miquelon said Cuto sought Costello's help in advancing a bill in Congress to recognize an Indian group. That recognition was key to an Indian casino proposal Cuto was pushing. Miquelon said; testimony will show that Cuto told people Costello was a silent partner in the deal, and that the evidence includes a document that memorialized Costello's interest.

- Miquelon said Costello asked St. Clair County State's Attorney Robert Haida to step aside so Cuto could take over the job. According to Miquelon, Cuto wanted the post so he could prosecute a state liquor control agent who investigated Cuto's client, racketeer Thomas Veneria, and others. At the time, Costello said Cuto would make a great state's attorney.

- St. Clair County Chief Judge Stephen Kernan said Costello sent messengers in December 1995 to tell Kernan to step aside immediately as chief judge or else Costello would use Cuto's money to defeat Kernan at the polls. Kernan said he thought Costello was helping clear the way for Cuto's brother, Circuit Judge Lloyd Cuto, to become chief judge.

- In 1988, the son of the late U.S. Rep. Mel Price said Costello and Cuto tried to force his father out of office to clear the way for Costello.

That history proves nothing about the riverfront dealings. But it helps explain why people wonder whether the timing was more than a coincidence.

Costello was seen as crucial

By Cheryl Eaton

Belleville News-Democrat

EAST ST. LOUIS — Amiel Cueto's ability to enlist the help of U.S. Rep. Jerry Costello was key to an Indian casino plan, former Washington Post reporter Sylvester Jackson testified Tuesday.

Jackson testified that Cueto's involvement in DIKCO, a corporation formed to establish the first land-based casino in Illinois, was of paramount importance to Thomas Venetia.

"Tom Venetia told me that there was a few partners, but the only partner he was concerned about was Amiel Cueto being in the deal with him," Jackson said. "It never would have gotten off first base if they weren't able to get some kind of Indian tribe. Amiel Cueto was supposed to take care of the politics in Washington, D.C. He was supposed to get in touch with his friend Jerry Costello and make sure they get a tribe that was being recognized for that."

Costello has denied any wrongdoing.

Jackson completed his testimony Tuesday in Cueto's federal criminal trial in East St. Louis. He was followed by Mel Swanson, the former canteen manager of the Veterans of

See TRIAL/7A



TESTIMONY: U.S. District Judge Stephen Limbaugh, prosecutor and Sylvester Jackson, right, listened to taped conversations

END
1/30/97

Trial

Continued from 1A

Foreign Wars post near Scott Air Force Base, who will continue testifying at 9 a.m. today.

Cueto is accused of shielding Venezia's \$48 million video gambling racket.

U.S. District Judge Stephen Limbaugh denied a request by Assistant U.S. Attorney Miriam Miquelon that Cueto's attorney, Ron Jenkins, be sanctioned for accusing her of inducing Jackson to commit perjury.

Jackson testified Monday that then-St. Clair County State's Attorney John Baricovic, who is now County Board chairman, once filed a "petty offense" against him, then dismissed it. Jackson said Cueto handled the case for him and that he never had to appear in court. Jenkins noted that the court record shows that Baricovic argued against dismissal of the 1989 charge.

"There was no motion to dismiss by the state's attorney in this case — they know that," Jenkins said.

"Your honor, he didn't perjure himself," Miquelon said. "He's talking about what he was told, not what happened. That's two different things."

Jenkins predicted that Baricovic will not testify in Cueto's case. "The government knows they are not going to call Mr. Baricovic. The purpose of it was to dirty Mr. Baricovic up..."

When Miquelon told Limbaugh that Jenkins had previously accused the government of prosecutorial misconduct, Jenkins responded that he was only trying to defend his client.

"Maybe I should resign before I get indicted for obstruction of justice, your honor," Jenkins said. Jackson testified that Cueto wanted to set up

state Liquor Control Commission agent Bonds Robinson Jr. after Robinson raided Venezia's profitable gambling stop at VFW Post 4183 near Scott Air Force Base.

"Anne Cueto made the statement, 'We better get this guy before this guy gets us,'" Jackson said.

Jackson said Cueto made that statement Sept. 1, 1992, during a meeting at Cueto's office involving Cueto, Venezia, Robert Romanik and Jackson.

"The surprise was they had a court hearing set up," Jackson said. "They didn't want Bonds Robinson to know anything about it until he was served with the papers to come to court."

Cueto sent Romanik to the St. Clair County courthouse to see whether Robinson had arrived. Jackson said. As soon as he called Cueto, Jackson and Venezia went to the courthouse and Jackson identified Robinson for Cueto, who subpoenaed him to appear for an injunction hearing held 15 minutes later, Jackson said. During the injunction hearing, Robinson, who was not given extra time to obtain an attorney, disclosed that he was working with the FBI.

Under cross-examination, Jenkins noted that Cueto's former law associates, Tom Daley, testified last week that he accompanied Cueto, Venezia and Romanik to the courthouse. Daley hadn't mentioned that Jackson was with them. Jackson said he didn't remember whether Daley was there.

"I'm not here to answer Tom Daley's testimony," Jackson told Jenkins. "I'm only here to answer questions you ask me, and I know I was there for a fact."

Other courtroom testimony Tuesday included jurors listening to a conversation taped Aug. 25, 1992, between Robinson and Jackson in

which Jackson told Robinson that Venezia was attempting to get him a promotion. Jackson warned that "some people wanted to push (it) further to get you set up..."

Jackson testified that he was talking about Cueto and Romanik's desire to set up and not bother Robinson to stop him from raiding Venezia's gambling stops.

Jackson said former O'Fallon Mayor Kristi Vieri worked briefly "marketing" or "setting up stops" for Venezia's company.

"Gambling stops?" Jenkins asked. "Gambling, yes, as well as vending," Jackson said.

Vieri said Tuesday she worked for Venezia only 10 weeks until the O'Fallon police chief informed her about him. She said she handled only beverage and food vending.

Jackson said Belleville Mayor Roger Cook was aware of Venezia's gambling business.

"He had to be aware of it," Jackson told Jenkins. "His family did business with Venezia."

When Jackson made similar allegations in Venezia's 1995 racketeering trial, Cook said that his mother contracted with Venezia's company when she owned the Anchor Inn at 424 W. C St., but that he has had no contact with Venezia.

Swanson said that when he received a grand jury subpoena in October 1994, Venezia had him and another subpoenaed VFW member meet with Cueto and attorney Grey Chatham. They were told they didn't have to testify.

"Mr. Cueto told us that (Batham was familiar with federal cases and he could handle that for us so we wouldn't even have to appear before the grand jury," Swanson said.

Weds

3ND
1/3/97

Court files may shed light on Costello's ties to casino

By George Pawlaczky

Belleville News-Democrat

EAST ST. LOUIS — Court papers filed last week in attorney Amiel Cueto's obstruction-of-justice trial might reveal part of the government's attempt to tie U.S. Rep. Jerry Costello to an Indian casino gambling scheme.

According to a copy of a 1996 subpoena to Belleville attorney Tom LeChien, prosecutors asked for "any and all documents that refer or relate to the file designated: 9-L-Costello leg., for the period Jan. 1, 1993, to the present."

It is not clear from trial testimony to date what this file might hold, but former Belleville businessman and convicted racketeer Thomas Venezia has identified a letter in court from Cueto that included the reference, "9-L-Costello leg." as being connected to an attempt to set up a gambling casino on an Indian reservation.

Venezia testified that in return for a share of the casino, Costello used his influence to get a bill through Congress to obtain official government recognition of a certain Indian

tribe. Venezia could not recall the tribe's name.

Costello, a lifelong friend of Cueto, has denied any wrongdoing. The Democrat from Belleville has said he ended his business dealings with Cueto in August 1992 when he sold Cueto his share of a Granite City convenience store.

Cueto is charged with obstructing the investigation and 1995 trial of Venezia on racketeering connected to illicit video machine gambling.

Venezia, 53, also was charged with obstruction. He pleaded guilty and agreed to testify for the government.

Venezia has testified that Cueto sent him a letter in 1993 that outlined a plan to establish the state's first land-based gambling casino by putting it on an Indian reservation and that mentioned Costello.

Assistant U.S. Attorney Miriam Miquelon has said in court that DKCO depended on Costello's effort to get the federal legislation recognizing an Indian tribe and that the company was partially financed with money from Venezia's illegal gambling business.

Prosecutors have said that in 1994, Cueto directed that a company, DeKalb Crab Orchard Inc. (DKCO), be formed to handle the Indian casino venture.

In an earlier subpoena — dated May 16, 1995 — LeChien turned over files concerning DKCO to the government after Cueto signed a statement waiving attorney-client privilege.

Assistant U.S. Attorney Miriam Miquelon has said in court that DKCO depended on Costello's effort to get the federal legislation recognizing an Indian tribe and that the company was partially financed with money from Venezia's illegal gambling business.

Also requested in the subpoenas to LeChien were files on A.G. Sporting Enterprises, Casino/Casino, En Futuro Inc., IllArt, MexArt, M-6 Inc., B-6 Inc. and Mississippi Valley Reclamation Council.

A spokesman for the Illinois secretary of state could find incorporation papers only for A.G. Sporting Enterprises and En Futuro, which both list Cueto as president.

Prosecutors also might use West Pointe Bank financial records concerning DKCO.

Harry Cruncleton, chairman of West Pointe Bank, 5701 W. Main St. in Belleville, said last

week that all of the bank's account files on DKCO were turned over months ago to federal prosecutors.

Cruncleton said DKCO loan and trust documents handed over to prosecutors contained the names of Cueto and Venezia, but he would not comment on whether any other name or trust account was listed as a partner or beneficiary.

"Everything (about DKCO) has been provided to the government," he said.

Asked whether the DKCO project had been given special treatment, Cruncleton said: "Absolutely not. It was handled like any other account."

Cruncleton would not answer questions concerning how much money, if any, had been lent to DKCO or how

See TRIAL/3A

BND 5/11/97

Trial

Continued from 1A

much was in the company's bank account.

DKCO was incorporated Aug. 24, 1994, by former Belleville city attorney Phil Montalvo, who is a possible witness in the Costello trial.

The name DKCO refers to possible casino sites. DeKalb referred to the village of Shabbona in DeKalb County, where a former DKCO partner said plans were made to establish a reservation on Potawatomi lands.

The partner said the tribe that Costello sought to recognize was the Pokagon Band of the Potawatomi, who have ancestral ties to Shabbona.

DKCO was registered by LeChien as a corporation in DeKalb County, according to business records.

The Crab Orchard part referred to Crab Orchard Lake near Marion,

where DKCO officials hoped to obtain federal land for a casino.

The day before he filed the papers, Montalvo directed a \$10,000 campaign contribution to Gov. Jim Edgar on behalf of DKCO.

Edgar has denied any knowledge of the Indian gambling plan. He said he would have opposed such a measure.

Last week, Edgar's name was linked to a phone call made by one of his former staff members to Blonda Robinson, a state liquor control agent who was working undercover for the Federal Bureau of Investigation.

According to the testimony, Edgar planning director Bill Brown called Robinson at the request of former Washington Park Mayor Sylvester Jackson, who then also was working to protect Venezia's illegal gambling. Former assistant U.S. Attorney

Cliff Proud testified that Brown reminded Robinson that Jackson, a Democrat, had done "many fine things" for Edgar, a Republican. Proud now is a U.S. magistrate.

Edgar spokesman Mike Lawrence said he doubted Brown would have influence with Edgar.

Jackson was instrumental in getting Democrats in Washington Park to back Edgar in the 1990 gubernatorial race.

Brown, who is on medical leave from his \$46,000 a-year job with the Department of Public Aid in Alton, could not be reached for comment.

Ray Coleman, an East St. Louis businessman, said he has known Brown for years and doubts he was aware of illegal gambling. Coleman said he met Brown when

both were members in 1989 of the Minority Coalition for Edgar, based in East St. Louis.

Coleman said: "Bill was not knowingly trying to intercede on the governor's behalf or anything like that. He did not know what was going on with the gambling."

But Coleman said several months after Brown made the call in August 1992 that he became concerned.

"He found out that Robinson was working undercover," Coleman said.

"I said, 'Well, man, be careful who you talk to because there's a lot of stuff, a lot of investigations going on,'" Coleman said.

"And that's when Bill said, 'I hope I didn't do anything' to get the governor in trouble."

PAID ADVERT

END 5/10/99

of legislative and others to come to an agreement on a massive deregulation plan that some say would save average consumers hundreds of dollars a year. Gov. Jim Edgar has cited

state's utilities are all feeling pain right now."

Perrico said that unless the legislature

See UTILITY, Page 5

Lawyer Says Cueto Drafted Partnership Pact With Costello

By Charles Bosworth Jr.
Of the Post-Dispatch Staff

Aniel Cueto drafted a partnership agreement in 1994 that would have given his longtime friend, U.S. Rep. Jerry Costello, an ownership interest in a company that was trying to put a riverboat casino on the East St. Louis riverfront, according to testimony at Cueto's federal trial Monday.

Lawyer Thomas LeChien of Belleville testified that Cueto had him prepare the final document from Cueto's draft. It was to be signed by Cueto and Costello, making them equal partners in a company called Escurto, LeChien said.

The document, produced in court by a federal prosecutor Monday, said the partnership would be in effect after Jan. 1, 1995, but was based on "a bilateral contract" entered into by Cueto and Costello on Sept. 9, 1994.

Costello, D-Belleville, denied any knowledge of the agreement Monday and reiterated his earlier statements

that he had not had any business relationship with Cueto since August 1992, when Cueto bought Costello's interest in a convenience store they owned together.

In a statement released Monday by his top aide, Brian Lott, the congressman said, "I have never seen this document and, as a result, cannot comment on its contents."

Under a ruling by District Judge Stephen Limbaugh, Costello is considered an "unindicted co-conspirator" with Cueto in his trial on charges of conspiracy and obstructing justice.

Costello has not been accused of a crime or any improper conduct, and the "co-conspirator" ruling does not imply that he did anything wrong or even knew about a conspiracy.

Assistant U.S. Attorney Miriam Miquelon has said that Costello was Cueto's "silent partner" in an effort by Cueto, gambling boss Thomas Venenka and others to start a casino. She

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Cueto

From page one

has charged that Costello tried to help get a bill passed in Congress that would have helped Cueto's plan to put the first casino on land owned by Indians in Southern Illinois. Costello has denied that, too.

Cueto, 48, a prominent lawyer from Belleville, is charged with trying to derail the federal investigation but led to gambling and racketeering convictions for Venezia in 1995. Venezia was Cueto's one-time client and witness partner. Venezia is serving a 15-year sentence and has testified against Cueto.

Handled Venezia's Business

LeChien testified Monday that he handled many of Venezia's corporate and business matters between 1990 and 1995, and was a part-owner with Cueto and Venezia a corporation that worked on the Indian casino deal. Albuquerque led LeChien through a long series of business deals involving Cueto and Venezia as partners, including purchase of the Laclede Club Co. in St. Louis and the Pleasanton III asbestos-removal company in Belleville. LeChien said Venezia never disclosed that high-rolling

business included outfitting hundreds of video-gambling machines in dozens of taverns and clubs in an operation that federal agents said grossed about \$48 million between 1988 and 1995. LeChien said he never would have served as the registered agent for many of Venezia's corporations if he had known that.

He testified that he came to believe that Cueto was a "silent partner" in one of Venezia's topless nightclubs, Club Exposed in Centerville.

"I suspected that the partner was Cueto. ... I was never told that as an absolute fact," LeChien said. Cueto has denied being involved in the club or getting any of a profit, some of which came from the illegal gambling machines.

But LeChien also testified Monday that he knew that \$300,000 of the costs to build the club was paid from a \$1 million loan taken out by Cueto and Venezia in July 1993.

Under questioning by Albuquerque, LeChien said Cueto had made false statements on two financial statements he submitted to banks in 1994 and 1995. LeChien said Cueto claimed only "secondary liability" for the loan, which by then had a balance of \$750,000. Cueto's statements said the person primarily obligated for the loan — a reference to Venezia — "is a good risk" with no financial problems in his past and sufficient funds to pay the loan.

LeChien said both of those statements were false. Cueto, Venezia and their wives had all signed the loan and were each fully responsible for the entire debt. LeChien

The record would have given Costello an ownership interest in a company trying to put a casino on the East St. Louis riverfront, a witness said.

said. He added, "Given Mr. Venezia's business, I wouldn't think he was a good risk." LeChien and Cueto brought him the partnership agreement with Costello in September 1994. In a prearranged meeting, it explained that Cueto and Costello had grown up together.

The agreement said it was being written out because Costello was a congressman and the agreement was "potentially relevant to certain reporting requirements." It called for Cueto to sell Costello 25 percent of the stock in Bishnoro for \$250 on Feb. 1, 1995.

LeChien said he had the contract typed up and mailed back to Cueto. He did not say if he knew what happened to it after that.

History Of Casino Deal

LeChien said the efforts to start a casino began in 1993 when Cueto and Venezia bought 32 acres of the East St.

Louis riverfront for \$475,000 through a corporation they formed and called Enshuro. One plan to get sole development rights to the riverfront by getting back for the city the deed to its City Hall — but in a court suit — failed, LeChien said.

On Dec. 30, 1993, Venezia told LeChien that Costello wanted letters to Venezia and Costello to set out their partnership rights in ownership of the riverfront land, LeChien said. He identified the letters shown him by Albuquerque, including one addressed to Costello at his office in Belleville.

The letter told Costello that he owed Cueto \$160,000 for the land. After payment, the letter said, "I will convey to you the middle one-third of the property." Any profit from the deal "will be divided equally," the letter said. LeChien said Costello's name had never been mentioned before in any partnership matters.

He said a similar letter was prepared for Venezia, telling him he would receive the other third for his \$160,000 payment. LeChien said Venezia complained that his third was farthest from the river, while Cueto was right on the water.

LeChien said he took the letters to Cueto, who rejected them. As Cueto sat at a table in his office, LeChien said, "He threw the documents and said, 'I'm not going to do this.'"

LeChien said Cueto did not elaborate and made no reference to Costello.

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OPINIONS

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AMIEL & COSTELLO IN...

AMIEL AND COSTELLO MEET THE FEDS



Costello should explain

Congressman Jerry Costello has said he wants to respond to allegations related to Amiel Cueto's obstruction of justice trial but cannot because he does not want to influence the trial in any way.

"The most difficult part of my day is getting up in the morning and having a lot to say and not being able to say it," Costello said this week.

Costello is under no legal obligation to keep quiet; he is free to say whatever he chooses. And, in fact, he has done so selectively.

• Last year, after reports that Costello was the undisclosed business partner and public official mentioned in the Cueto indictment, Costello issued a press release denying he was the partner. He has said repeatedly that he cut all business partnerships with Cueto in August 1992 when he sold his share of a convenience store.

• After St. Clair County State's Attorney Robert Haida testified that Costello promised him a judgeship in exchange for helping Cueto become state's attorney, Costello issued a statement saying that he disagreed with Haida's testimony.

• Regarding prosecutors' allegations that he pushed legislation to recognize an Indian tribe to help a gambling deal in which he was a partner, Costello issued this statement: "I have never written, sponsored, co-sponsored or testified in favor of any legislation before Congress on Indian issues."

• As recently as Tuesday, after testimony about

two letters regarding the Indian legislation, Costello issued a statement, "I am very familiar with these letters because I provided them to the U.S. attorney's office."

If Costello's concern is influencing the case, the statements he has made have as much potential to do so as fuller explanations — perhaps more so, because they raise questions but provide no answers.

For instance, when Costello says he disagrees with Haida's testimony, is he denying the meeting took place, or denying he offered Haida a judgeship, or taking issue with some minor detail?

Costello's statement on the Indian tribe recognition suggests he did nothing to help advance this bill. But apparently he did something. Bill Richardson, who was then a congressman and is now U.N. ambassador, wrote Costello thanking him and stated his "assistance was instrumental in the passage of this act." What was his involvement?

And if Costello wasn't a business partner of Amiel Cueto, how does he explain the documents presented in court that outline his share of a proposed casino and the testimony that Cueto told others involved that Costello was a partner?

The allegations call into question his conduct as congressman, and are undermining his credibility and effectiveness. The public deserves to hear his full explanation — now, not later.

THE POST-DISPATCH PLATFORM

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EDITORIALS

Mr. Costello, What About Cueto?

U.S. Rep. Jerry Costello says he's frustrated that he can't respond to allegations being made about him at the federal conspiracy trial of his pal Amiel Cueto. The people of the 12th Congressional District are frustrated, too. They deserve to know the truth about Mr. Costello's involvement with Mr. Cueto.

Mr. Costello and Mr. Cueto were childhood friends and one-time partners in a convenience store. Mr. Cueto — a Democratic power broker and lawyer who takes no prisoners — represented Thomas Venezia during a federal investigation of Venezia's nightclub and vending machine businesses. Venezia was convicted in 1995 on illegal gambling charges for putting video-gambling machines in taverns and clubs.

In the current trial, Mr. Cueto is accused of conspiring to obstruct the investigation of Venezia. Mr. Costello's name has come up often in court. Venezia testified that Mr. Cueto had spoken in 1993 about reserving for Mr. Costello a one-third interest in a piece of riverfront land where they planned a riverboat casino. Venezia said Mr. Cueto told him Mr. Costello would be a partner "if he didn't stay in Congress or something to that effect."

Venezia's testimony was hearsay and pretty vague. But it calls into question Mr. Costello's claim that he didn't have a business relationship with Mr. Cueto after 1992.

Venezia's testimony was partly corroborated this week when a Belleville lawyer testified that Mr. Cueto had him prepare a partnership agreement in 1994 giving Mr. Costello an ownership in the riverfront casino company. But the agreement intro-

duced in court wasn't signed, and Mr. Costello says he's never seen it.

A Cueto partner also testified that Mr. Cueto described Mr. Costello as a "silent partner" in two casino deals — the riverfront casino and another planned for Indian land in southern Illinois. Prosecutors introduced a letter from former Rep. Bill Richardson thanking Mr. Costello for lining up votes for a bill recognizing the Indian tribe — a requirement to claim the land for the casino.

The trial has also revealed that Mr. Costello is an unindicted co-conspirator. It's not clear what that means. Presumably he didn't commit a crime and didn't know about one. But Mr. Costello is going to have to explain actions that were part of the alleged conspiracy. For example, St. Clair County State's Attorney Bob Haida testified that Mr. Costello said he would get Mr. Haida a judgeship if he would make way for Mr. Cueto to be state's attorney. Prosecutors allege Mr. Cueto wanted that post so he could prosecute an agent who was investigating Venezia.

Mr. Costello has issued a series of short denials. Brian Lott, his press aide, says that Mr. Costello won't give a more detailed comment, partly because he fears federal prosecutors would consider a news conference as part of the conspiracy. The prosecutors are tough and conspiracy law can be abused, but Mr. Costello's explanation seems a reach.

Perhaps Mr. Costello will end up telling his side of the story on the witness stand. He is listed as a potential witness. Whether on the witness stand or at a press conference after the trial, Mr. Costello has some explaining to do. And in the court of public opinion, the burden of proof will be on him.

GOP motivated by Cueto's trial

By David Rheingold
Belleville News-Democrat

BELLEVILLE — Whether U.S. Rep. Jerry Costello suffers any political fallout from the federal trial of his lifelong friend, Amiel Cueto, is uncertain, but local Republicans aren't waiting.

They see the publicity generated by the trial as an opportunity to make strong inroads in the heavily Democratic 12th Congressional District.

"We haven't heard all the evidence and we haven't heard everybody's side of the story," said

Stephen McGlynn, chairman of the St. Clair County Republican

Party.

"But from a political standpoint, what we previously thought to be a politically safe seat is one that is now very winnable for Republicans," he said.



Costello

Costello, D-Belleville, has not

See COSTELLO/3A

BND 5/18/97

Costello

Continued from 1A

been charged with or accused of any wrongdoing. But he has been identified as an unindicted co-conspirator of Cueto's, and Costello's name has come up often during the trial.

Cueto is accused of obstructing the federal investigation and prosecution of his former business partner, Thomas Venezia, who was convicted of running an illegal gambling ring in metro-east taverns.

Prosecutors have said Costello was a silent partner in a casino venture with Cueto and Venezia and helped pass a bill in Congress that could have led to the first Indian casino in Illinois.

Costello, who has won re-election handily since he first was elected to Congress in 1988, has seen his name sullied during the trial, which enters its seventh week Monday.

Costello has not yet explained his side of the story. By the time that happens and the trial is over, it could be early summer with congressional hopefuls preparing to announce their candidacies.

"I think it's too early to say whether it's done any damage or not because (voters) haven't heard his side of the story," said Costello's spokesman, Brian Lon. Lon said he expects Costello to seek another term even though Costello has made no announcement.

"I think once voters have a chance to hear the congressman's side of the story and weigh his record of accomplishments for the district, they'll be able to make their choice," Lon said.

Between primary elections, filing deadlines and campaign fund-raising, congressmen must get ready to run again not long after being elected to two-year terms.

Candidates for Costello's seat will have to file papers for office in December. Most are expected to declare their candidacies this summer.

One candidate who already has jumped into the race is Chad Reed, a Republican who teaches music to middle school students in Carbondale. Like many of Costello's challengers in previous years, he hails from the southern periphery of the 12th District.

Reed, 27, is starting early by attending political functions and meeting with Republican Party leaders at home and in Washington, D.C. A political newcomer, he lives in Murphysboro with his wife and their 2-year-old son.

Reed said he is campaigning on a platform of drawing businesses to Southern Illinois and reforming federal campaign finance laws. He said he doesn't plan to address Costello's involvement in the Cueto trial.

"I'm not going to deal with it," he said. "I am totally going to run a positive campaign."

While the Cueto trial has made headlines in the metro-east, reaction largely has been silent elsewhere in Costello's district, which runs from Granite City south to the Ohio River.

"I'm not sure how many people are aware of (the trial) aside from political junkies," said Chris Grissom, Republican chairman of Jackson County, which includes the Carbondale-Murphysboro areas. "Down here, it hasn't gotten a lot of play."

Grissom, who regularly reads half a dozen newspapers daily, confessed he is not familiar with the trial's details. He declined to comment on Costello other than to say, "I think it's definitely a winnable race (for Republicans)."

Democrats in Jackson County are not planning to challenge their congressional incumbent.

"He's very popular down this way," said Shirley Dillinger Booker, chairman of the county's Democratic Central Committee.

Carbondale's newspaper, the Southern Illinoisan, has not taken an editorial stance on Costello's role in the Cueto trial and has not received any letters to the editor on the subject.

But the paper plans to weigh in once the trial has finished, said opinions page editor Joe Beck.

"We're taking a wait-and-see attitude," Beck said. "I feel it's an issue that I should comment on at some point, but ... I simply don't know what we can really add (now) by editorial commentary to what's already been reported."

Reed is not the first Republican from outside the metro-east to try to unseat Costello. Others included Mike Starr, a professor at Southern Illinois University at Carbondale, in 1992; Jan Morris, a Carbondale attorney, in 1994; and Shapley Hunter, a draftsman from the tiny town of Tamm, in 1996.

In November, Costello trounced Hunter with nearly 72 percent of the 209,000 ballots cast. Hunter did not make an issue out of Costello's ties to Cueto, who was indicted in August. He ran a largely invisible campaign, spending only \$4,261.

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File GOP watches lawyer's trial for fallout on Rep. Costello

ASSOCIATED PRESS

BELLEVILLE, Ill.—Few people are following the federal court trial of attorney Amiel Cueto as closely as the Republicans who might be potential challengers of Rep. Jerry Costello next year.

It is still uncertain whether the Belleville Democrat will suffer any political fallout from the federal trial of his lifelong friend, Cueto, but local Republicans aren't waiting. They see the publicity generated by the trial as an opportunity to make strong inroads in the heavily Democratic 12th Congressional District.

"We haven't heard all the evidence and we haven't heard everybody's side of the story," said Stephen McGlynn, chairman of the St. Clair County Republican Party. "But from a political standpoint, what we previously thought to be a politically safe seat is one that is now very winnable for Republicans."

Costello has not been charged with or accused of any wrongdoing, but he has been identified as an unindicted co-conspirator of Cueto's. Cueto is accused of obstructing the federal investigation and prosecution of his former business

partner, Thomas Venezia, who was convicted of running an illegal gambling ring in Metro-East taverns.

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not yet explained his side of the story. By the time that happens and the trial is over, it could be early summer with congressional hopefuls preparing to announce their candidacies.

"I think it's too early to say whether it's done any damage or not because [voters] haven't heard his side of the story," said Costello's

spokesman, Brian Lott.

But Lott said he expects Costello to seek another term even though he has made no announcement.

Candidates for Costello's seat will have to file papers for office in December. Most are expected to declare their candidacies this summer.

Chad Reed, a Republican who teaches music in Carbondale, has already entered the race.



Jerry Costello
Dem still safe?

BND 6/5/97

Costello, Baricevic to tell public their side after Cueto trial verdict

By Cheryl Eaton

Belleville News-Democrat

U.S. Rep. Jerry Costello will hold a press conference to answer questions about Amiel Cueto's federal criminal case as soon as a verdict is reached, Costello's spokesman said Wednesday.

The trial will resume with closing arguments Monday and the jury is expected to begin its deliberation as early as that afternoon. The trial recessed Tuesday after Cueto's testimony. He was the only defense witness.

Costello's only comments about the testimony concerning him have been limited to written statements that have not directly responded to

not necessarily mean he engaged in any criminal activity.

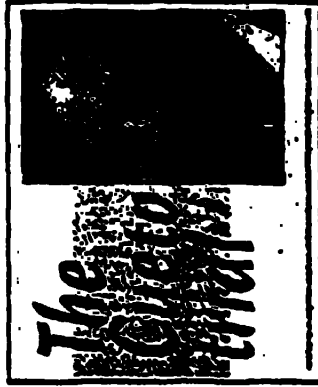
Costello's spokesman Brian Lott said Wednesday that Costello, a Democrat from Belleville, plans to meet with the press after the verdict and answer all questions posed.

Costello will not postpone commenting until after an appeal in the event that Cueto is convicted, Lott said.

"What he has indicated is it will be after the jury reaches a verdict," Lott said.

Prosecution witnesses have testified that Costello pushed legislation in 1994 to provide for the development of the first land-based casino in Illinois and that he was Cueto's

See TRIAL/3A



most of the specific questions put to him.

Under a ruling by the judge, he was designated as an undisciplined co-conspirator in Cueto's case so that witnesses could testify about what he told them without it being prohibited as hearsay. The designation does

Trial

Continued from 1A

silent partner in the failed venture.

Costello has said he has not had a business relationship with Cueto since October 1992, when he sold his share of a Granite City convenience store they co-owned.

Prosecutor Miriam Miquelon alleged that the sale occurred in August 1992 on the day Cueto first met with St. Clair County State's Attorney Bob Haida in an attempt to discredit a state liquor agent working undercover in a federal investigation of Thomas Venezia, Cueto's business partner.

Haida has testified that Costello offered him a judgeship in April 1995 if Haida could persuade County Board Chairman John Baricevic to appoint Cueto state's attorney.

Prosecutors claim Cueto had hoped to prosecute the agent because Haida had refused. Cueto contends the agent was corrupt and tried to solicit bribes from Venezia, who was indicted in March 1995.

Costello has said he disagreed with Haida's testimony about their meeting, but would not elaborate. He told reporters last month that he is anxious to tell his side of the story.

Baricevic said he also will break his silence concerning the case as soon as a verdict is reached. He will comment sooner than that if the judge decides to sequester jurors during deliberation, he said.

"If the jury is sequestered, I can talk to you after the jury goes into the box," he said Wednesday.

Prosecutors have accused Baricevic of signing a false affidavit to match the testimony of a witness who testified before the grand jury investigating Cueto. Cueto, who filed the affidavit along with a motion in his case, contends that the grand jury witness is Costello and that Costello's attorney prepared Baricevic's affidavit.

In the affidavit, Baricevic said Costello and Haida met about a judgeship but Haida only assumed he would have to arrange for Cueto to take over as state's attorney. Baricevic stated that a federal prosecutor turned him away from testifying before the grand jury April 18. Costello testified April 15, according to court documents.

Haida has called the affidavit "a characterization by someone else of what happened."

Cueto is charged with one count of conspiracy to defraud the United States, five counts of obstruction of justice and one count of conspiracy to obstruct justice.

Each count of obstruction of justice carries a maximum penalty of 10 years in prison and a \$250,000 fine. Each conspiracy count carries a maximum penalty of five years in prison and a \$250,000 fine.

If Cueto is convicted, the judge would set his sentence according to the federal sentencing guidelines, which factor in such things as the seriousness of the crime, the defendant's criminal history or lack of a criminal history, and whether the defendant accepts responsibility for his crimes.

Obstruction of justice cases are rare in the Southern District of Illinois and usually involve drug cases in which a witness has been threatened, said Assistant U.S. Attorney Joel Merkel, spokesman for the office.

"They're not as common as a lot of things like drug cases or bank embezzlement or bank robbery," he said. "I'd think that over the last five or 10 years, we have had relatively a handful of those as compared to other criminal conduct."

Merkel said the office is successful in its prosecution of such cases.

"However few there were, I don't think anybody has ever been acquitted on any of those that I can recall," he said.

BND
6/5/97

OPINIONS

4/15/91



The rose-colored view

To County Board Chairman John Baricevic, the convictions of Amiel Cueto for obstruction of justice and conspiracy do not reflect poorly on the local political system.

Indeed, he said they mark "a good day for St. Clair County," because only one elected official has been convicted of corruption.

That's about like saying it was a good day for Sodom and Gomorrah when the earthquake finally stopped.

It was a good day for only one reason — it may put an end to political corruption instigated by Cueto. But examples of alleged political corruption involving public officials remain, such as:

- St. Clair County Associate Judge James Radcliffe presiding over the sham hearing at which Cueto forced state liquor control investigator Bonds Robinson to reveal he was working with the FBI on an undercover investigation of Tom Venezia's gambling enterprise. Radcliffe issued an injunction against Robinson. A federal appeals court later called the hearing a "parody of legal procedure."

- Testimony in the case that Cueto controlled judges in St. Clair County. Tom Venezia's son Milan testified that his father told him Cueto "owned" 15 of 17 county judges.

- Testimony that U.S. Rep. Jerry Costello was a

silent partner in a land-based Indian casino deal for which Costello lobbied in Washington. He helped pass a bill recognizing an Indian tribe, giving it the right to sponsor a casino. Costello maintains he has had no business relationship with Cueto since 1992.

- Testimony that Costello joined in Cueto's attempt to push State's Attorney Bob Haida into a judgeship so Cueto could take over as state's attorney and, prosecutors said, prosecute Bonds Robinson to block his investigation. Haida testified that Costello offered him the judgeship if he could arrange for Cueto to replace him. Haida refused.

- The actions of the one elected official convicted in the case, former Washington Park Mayor Sylvester Jackson, who devoted city government to protecting Venezia's topless clubs and gambling operations and issued deputy marshal badges to Venezia employees so they could carry guns.

- The actions of Cueto himself, who for years has been an acknowledged leader and fund-raiser in the local Democratic Party, which holds most of the area's county and state legislative offices.

- The suggestions by U.S. Attorney Charles Grace that the investigation is continuing and that more indictments may be handed down.

Does all of that sound like a good day for St. Clair County? If so, please spare us any bad ones.

6/18/97

Cueto Conviction Leaves Others Dangling

By Charles Davenport Jr.
or his Post-Dispatch staff
WITH ANIEL CUETO'S who topped by a federal conviction last week, some of those who have been linked to him over the years are still in limbo, waiting to see what happens next.

Cueto's career as a lawyer and political insider threw a wide net of influence across St. Clair County. Some of the names that came up in the nine-week trial were:

■ U.S. Rep. Jerry Costello, D-Bellville, Cueto's boyfriend friend and former business partner.

■ Associate Judge James Radcliffe of St. Clair County.

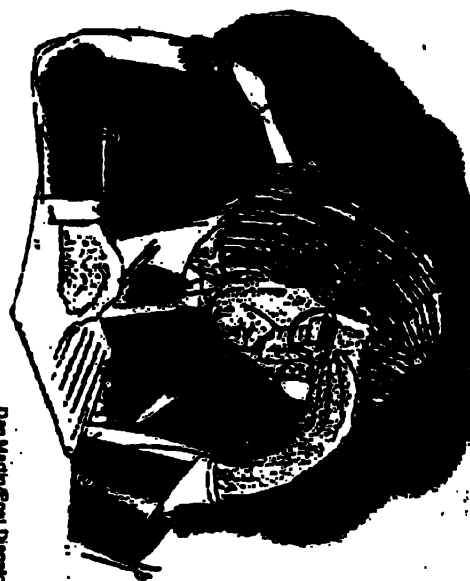
■ Lawyer Thomas Duley of Bellville, a former judge and former associate in Cueto's law firm.

■ Lawyer Philip A. Montano of Springfield, Ill., former city attorney for Bellville and now the chief counsel for the Illinois Department of Natural Resources.

■ Robert Remank of Bellville. Cueto's old friend and co-defendant, legal investigator and former police chief in Washington Park, Remank pleaded guilty of obstructing justice and faces 12 to 18 months in prison when he is sentenced next month.

Cueto, 48, of Bellville, could face about five years in prison when he is sentenced in September on conspiracy for conspiracy and obstructing justice. He also faces the almost certain suspension of his law license.

■ U.S. Attorney W. Charles Grace and his top gun on the case, Assistant U.S. Attorney Miriam Milguson, made a point last week of saying the investigation remains open. Grace



Don Martin/Post-Dispatch

Assistant U.S. Attorney Miriam Milguson, chief courtroom prosecutor in the trial of Aniel Cueto, was sketching taking notes during Cueto's testimony on May 30. Her statement to the judge that the case was an ongoing criminal investigation has heightened speculation that associates and friends of Cueto may also be under investigation.

and his office in 1994 did not pursue evidence of misdeeds. By anyone credited to the actions by Cueto or his former client, convicted gambling boss Thomas Venezia.

Cueto was caught in a web of allegations of corruption, persistent and widening effort to protect Venezia and the millions of dollars in loans and business ventures they had together.

Venezia was convicted of gambling and racketeering in 1995 and is serving 15 years.

■ Congressman says he warned Cueto about gambling lies ... 1C

co-conspirator" and "silent partner" in two unsuccessful casino deals. Cueto has not been charged with any wrongdoing, and he and Cueto have denied Milguson's allegations about the conspiracy.

At a news conference Saturday, Costello said none of his activities involving Cueto were improper or even any different from what he would have done for any other constituent. He said he never had any interest or involvement in shady deals with Venezia and had urged Cueto to stay away from him.

Judge Radcliffe's name also came up often because of an injunction he signed for Cueto in September 1992.

Cueto used a phony court order to lure state liquor agent Rhonda Robinson to the courthouse in Bellville, take him before Radcliffe and lure Robinson to declare that he was wearing underwear with the FBI to investigate Venezia.

Radcliffe refused to let Robinson get a lawyer and ordered him to answer Cueto's questions. Radcliffe then signed an injunction written by Cueto that prohibited Robinson from "intentionally" interfering in Venezia's business.

■ U.S. District Judge William J. Smith disclosed Radcliffe's work and Cueto went to the U.S. 7th Circuit Court of Appeals in Chicago. That court upheld Smith's ruling, called Radcliffe's hearing "a parody of justice" and referred Radcliffe to the Illinois Judicial Inquiry Board for review.

A spokesman for the inquiry board, which oversees judicial conduct, could not be reached Friday. Radcliffe had no comment.

Daley testified for prosecutors that Cueto and Venezia had Daley defied several people charged with gambling in connection with Venezia's operation. Daley said he never talked to some of those people, even when he filed guilty pleas in some of the cases.

Daley also testified that Cueto told him about the plan to use the phony order to get Robinson to court. Daley said he knew it was wrong but could do nothing to stop it.

Under cross-examination by Cueto's lawyers, Daley agreed that Milguson had admitted that he was a potential target when he testified before a grand jury that Daley said he had no deal with prosecutors in exchange for his testimony. Daley had no comment Friday.

Signed Affidavit

Montano told the jury that he had sworn an affidavit that was prepared by Cueto in an attempt to get judge Smith removed from Venezia's case before that trial. Montano said he did not read it and did not recall it contained the statements. He said it was prepared for Cueto to file the affidavit, and that Montano would not have signed it if he had known what Cueto had written. Montano said Friday that he had no agreement with prosecutors for his testimony.

"Mr. Cueto, frankly, told me then, 'You do your thing and I'm going to do mine.'"

Costello Breaks 10-Month Silence On Links To Cueto Representative Denies Any Impropriety

By Charles Roseworth Jr.
of the Post-Dispatch Staff

Rep. Jerry Costello says he repeatedly warned his old friend Arnold Cueto that serving as lawyer for gambling boss Thomas Venezia would get him in serious trouble someday, just as it had damaged the friendship between Costello and Cueto that dated back to the second grade.

But Costello, D-Bedford, said Saturday he had not predicted that he, too, would be drawn into the whirlpool when federal prosecutors begin firing off allegations of corruption and political influence-peddling in the cases that brought down Cueto and Venezia with convictions in court.

At a news conference on Saturday, Costello broke 10 months of self-imposed restraint to add details to his formerly terse denials that he had done anything even remotely improper and certainly nothing illegal amid the events that led to Cueto's conviction Wednesday for conspiracy and obstructing justice.

Costello said every action that federal prosecutors implied was a corrupt attempt to

Costello's conviction affects many influential figures in St. Clair County.

help Cueto or make money for Costello could be explained simply. Some of the events never happened, and the rest were nothing more complicated than efforts to do his job as a congressman or a Democratic Party leader in St. Clair County, he said.

And, Costello added, he has never been told and does not believe that he is a target of what U.S. Attorney W. Charles Greer said was a continuing investigation.

Costello, 47, said the voters in the 12th Congressional District should be assured he has done nothing wrong and that he will continue to "work like hell" for all of the projects and issues he has supported since his election in 1986. He said the voters would decide whether there would be political repercussions from the unfair allegations. "I have no control over what people like Tom Venezia say about me," Costello said.

The most poignant moments Saturday came when Costello talked of the perhaps



Sam Leone/Post-Dispatch
Rep. Jerry Costello told reporters Saturday that he had warned friend Arnold Cueto against serving as a lawyer for gambling boss Thomas Venezia.

irreversible damage done to the 40-year friendship between him and Cueto over disagreements that surfaced in 1992. Some of those included:

■ Cueto's expenditures through his 10 po-
litical action committees and the \$2.17 mil-
lion in contributions that he controlled.

■ Cueto's desire to publish what would
later become the East Side Review, a star-
lingly sarcastic and raucous tabloid news-
paper. Costello urged him not to do it, but
Cueto published several editions in 1994 and
1995. "I have never read an issue since to
this day," Costello said.

See USTELLO, Page 4

Costello

From page one

cover because, frankly, I didn't have the stomach for it," Costello said.

Costello's involvement with Venezia, who had built a multimillion-dollar empire of illegal video-machine gambling and topless nightclubs, Costello said he never had any relationship or contact with Venezia, and urged Cueto to follow that course. "I advised him not to be legal counsel to Tom Venezia, but he makes his own decisions," Costello said. "I like to think that, if Mr. Cueto had taken my advice, he wouldn't be facing what he is facing today."

"We had major — and I'm talking major — philosophical and political differences in '92," Costello said. He added, "Mr. Cueto, frankly, told me then, 'You do your thing and I'm going to do mine.'"

That led Costello to dissolve his business partnerships with Cueto, selling to Cueto his interest in the convenience store they owned together, and very nearly caused him to end his friendship with Cueto altogether, Costello said.

"If I had severed our friendship in '92, I probably wouldn't be standing here today," he said. He added, "But there was more than a friendship involved. There were two families."

He said, "It might be politically expedient to dump on the whole family." But he said he would continue to meet his obligation as the Cueto's friend and the godfather of their daughter and son.

Costello talked for about 50 minutes Saturday, responding to each allegation by prosecutors or witnesses in Cueto's nine-week trial.

He said the prosecutors' decision to declare him an "unindicted co-conspirator" was done only to allow testimony about his conversations with others and did not mean he had done anything wrong or had even known about a conspiracy. Costello noted that many of the prosecution's witnesses were called co-conspirators for the same reason.

Costello disagreed with testimony by State's Attorney Bob Haida that Costello promised him a judgeship if Haida would get County Board Chairman John Baricovitz to appoint Cueto state's attorney. Costello said he had talked to Haida about support for a judgeship only as a Democratic Party leader making a routine inquiry in an effort to avoid a "costly and divisive" primary-election battle for state's at-

"I like to think that, if Mr. Cueto had taken my advice, he wouldn't be facing what he is facing today."

REP. JERRY COSTELLO

torney between Haida and Cueto in 1996.

Costello said he considers Haida a friend but had not talked to him about their different versions of that conversation and would not try to explain them. "His recollection of our conversation is his recollection," Costello said.

He said he was never a "silent partner" in two casino deals that Cueto and Venezia unsuccessfully backed. Costello said he refused an offer from Cueto to sell Costello a third of the land where they hoped to put a casino on the East St. Louis riverfront. Costello said he never saw a letter that set shares in the site for him, Cueto and Venezia. Costello also said he never saw a partnership agreement that Cueto had drafted in late 1994 that would have given Costello half of Cueto's interest in the two casino deals.

Costello also denied that he was instrumental in getting passage of a bill in Congress that could have helped Cueto's plan to put a casino on land claimed by American Indians in Southern Illinois. Costello said he had never heard of the bill until he attended a meeting in July 1994 with Cueto and one of the other investors, lawyer Philip A. Montalvo, and spoke by phone to another investor.

Costello said he reacted — as he does any time a constituent asks him to support a bill — by checking its status. His aides learned it was up for a vote a few days later, and he voted for it.

His aides sent standard letters to Cueto and Montalvo announcing the results — like the thousands of letters sent by his office each year, he said. He said a letter to him from another congressman — thanking Costello for "gathering votes" and calling him "instrumental" in the bill's passage — also was a standard courtesy in the House.

Asked about related allegations that he controlled some of the judges in St. Clair County, Costello denied having any role in such matters. He added, "I can't even control my wife, let alone the judges."

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Post
6/17/97

EDITORIALS

Mr. Costello's Bad Judgment

Rep. Jerry Costello's explanation of his involvement with Amiel Cueto is late coming and doesn't entirely hang together.

For the past 10 months, Mr. Costello has said he couldn't explain his actions until after Cueto's trial on conspiracy and obstruction of justice charges. Now that Cueto has been convicted and Mr. Costello has given his explanation, it's not entirely clear why he had to wait. Mr. Costello says an attorney advised him not to make a statement before now and that he didn't want to prejudice the trial. But Mr. Costello could easily have explained his conduct last fall without prejudicing a jury.

There is a certain plausibility to some of Mr. Costello's explanations, but they are more nerve than one would expect of a seasoned politician.

Mr. Costello and Cueto were childhood friends, political allies and one-time business partners. In 1992, after the *Post-Dispatch* disclosed that Cueto had funneled \$80,000 in political funds through their convenience store, Mr. Costello announced he was severing all financial ties with Cueto.

Only a year later, according to trial testimony, Cueto offered Mr. Costello a one-third interest in Mississippi river-front land intended for a casino. On Saturday, Mr. Costello acknowledged the offer and said he had considered it for "a week or so" before rejecting it.

It doesn't seem totally aboveboard to announce with fanfare in 1992 that you are breaking off all business connections with a man and then to consider acting up a new business deal a year later.

Mr. Costello also said on Saturday that he had repeatedly warned Cueto that he would get into trouble representing Thomas Venesiz. It was Cu-

eto's attempt to block a federal investigation of Venesiz's illegal gambling activities that resulted in his conviction for obstruction of justice last week.

Federal prosecutors showed that Cueto wanted to become St. Clair County state's attorney so that he could prosecute federal authorities before they could prosecute Venesiz. A key event in this effort, prosecutors said, was Mr. Costello's meeting with State's Attorney Bob Haida. Mr. Haida testified that

Mr. Costello offered him a judgeship if he would attempt to persuade County Board Chairman John Baricovic to appoint Cueto as prosecutor.

Mr. Costello said Saturday that Mr. Haida remembers wrong. Yea, he had brought up Mr. Haida's interest in a judgeship. And, yes, he had told Mr. Haida he wanted to avoid a primary fight between him and Cueto. But, no, says Mr. Costello, there was no judgeship and "it was not my intention to convey a promise of a judgeship..."

Maybe it wasn't a promise, but it was a pretty strong hint.

At the time of the meeting with Mr. Haida, Cueto had been using his courthouse tabloid to attack federal prosecutors. Mr. Costello should have suspected that Cueto wanted to be state's attorney so that he could use that post to go after the feds. Given his earlier advice to Cueto about staying away from Venesiz, one would have thought he'd have had the good sense not to approach Mr. Haida in what turned out

to be a conspiracy to help Venesiz.

Mr. Costello stresses that his status as an indicted co-conspirator does not mean that he acted illegally or even knew about illegal actions. And that is correct. But, at the very least, Mr. Costello's actions show extremely poor judgment.



Jerry Costello



Amiel Cueto

A SET may appear again on

2B

EDITORIAL: Rep. Jerry Costello has shown bad judgment in his involvement with Amiel Cueto 6B

COMMENTARY: City vs. suburbs — different visions of reality

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T. LOUIS/REGION

SECTION B

TUESDAY, JUNE 17, 1997

Costello Tells Of Vast Change In Cueto

By Charles Bosworth Jr.

Rep. Jerry Costello says he watched his best friend, Amiel Cueto, change dramatically about 1991, and the result was a "major" that has put Cueto on the brink of a prison sentence and has left Costello questioning his loyalty to Cueto.

In a meeting Monday with Post-Dispatch editorial writers, Costello said he has come to realize that Cueto and others used Costello and his name in ways he didn't understand them — in ways that federal prosecutors suggested made Costello an "unwitting co-conspirator" with Cueto.

Costello, a Democrat from Belleville, said he did nothing wrong and did not realize then that anything he did would ever be interpreted

When He Saw Friend's Bad Side, He Cut Ties, Congressman Says

Costello said he has no reason to believe he is a target of what U.S. Attorney W. Charles Grace said was a continuing investigation.

Costello said he asked Cueto, his friend from second grade, changing in 1991 and 1992. "It wasn't a pleasant side" of his personality, Costello said as he remembered

Costello said he has no reason to believe he is a target of what U.S. Attorney W. Charles Grace said was a continuing investigation.



Costello

Costello said he has no reason to believe he is a target of what U.S. Attorney W. Charles Grace said was a continuing investigation.

Costello said he asked Cueto, his friend from second grade, changing in 1991 and 1992. "It wasn't a pleasant side" of his personality, Costello said as he remembered

Cueto's close political ties and his success in the newspaper, the Post-Side Review.

Costello recalled seeing Cueto's business ties with Cueto in August 1992 after learning that Cueto was using their company to raise political contributions. When Costello told the Post-Dispatch story describing that, he called Cueto and they had a long, angry disagreement, he said.

Costello emotionally recalled slamming down the phone in his friend's ear. Costello said he then turned to his wife and announced that they had to end their business relationship with their old friend, the Cueto.

Costello said he has often wondered if he

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Costello

From page one

should have covered the men's 40-year friendship as well — which would have spared him the accusations of involvement in Cotto's illegal activities.

"Would I like to go back to August 1982?" Costello asked. "Yeah, I would."

Costello denied repeatedly that he had tried to get Cotto appointed state's attorney in 1985 by promising State's Attorney Robert Hilde a judgeship. If Hilde would persuade County Board Chairman John Barlow to appoint Cotto as the state's attorney.

Hilde testified that Costello had done exactly that. Federal prosecutors charged in Cotto's trial that he wanted to be state's attorney to indict investigators pursuing Venema.

Costello said he knew only that Cotto had announced he would oppose Hilde in the primary, and every one in the party was terrified of a "dirty old man's" fight.

Costello said he never believed Cotto had the chance of being elected state's attorney. Costello said his only interest was in avoiding the primary by convincing Cotto to drop out.

Costello said he was going to run because "times was passing." Costello said he then talked to Hilde to see if he could get Hilde to intervene in a judgeship or entering private practice.

Costello said Monday that Hilde's belief he had been promised a judgeship was a misunderstanding. But Costello said that he supported Hilde for state's attorney and would have done so in an election.

Costello said he had wanted Cotto to stay away from Venema. Costello said he had seen the intelligence file on Venema from the Belleville Police Department about 1987 and knew Venema eventually would be brought down.

"You didn't have to be a rocket scientist to know this guy was under a microscope by every law enforcement agency," Costello said.

Venema is serving 15 years. Cotto could get as much as five years when he is sentenced Sept. 17 by U.S. District Judge Stephen N. Limbaugh.

OPINIONS

BND
6/17/97



Why would Haida lie?

Did U.S. Rep. Jerry Costello lean on Bob Haida to vacate the St. Clair state's attorney's office so Amint Cueto could take the job? Haida says yes, but Costello says no.

Which one should we believe? Let's first look at Haida, who testified in Cueto's obstruction of justice trial that Costello offered him a judgeship in spring 1995 if he would step down and convince County Board Chairman John Baricevic to appoint Cueto in his place.

What could Haida stand to gain from providing false testimony? Not a thing. What could he gain from putting Costello, still one of the area's most powerful Democrats, in a bad light with his testimony? Nothing but trouble.

So why would he give that testimony? The only answer we can imagine is because it's true.

Costello, in his public statement on the Cueto trial Saturday, maintained that he talked to both Haida and Cueto in an effort to avoid a divisive political fight after Cueto said he would challenge Haida in the primary. Costello insisted that he did not offer a judgeship to Haida nor ask Haida to try to persuade Baricevic to appoint Cueto to the job.

We have to be more skeptical about Costello's statement. For one thing, he has a reason to fudge the facts — he could be weakened politically by being linked to the schemes of his pal Cueto. By the time he met with Haida in 1995, Costello had already made clear in public statements that he was backing Cueto. "If he runs, he'll have my vote and support," Costello told a News-Democrat reporter that January.

Another is Costello's insistence that he was just

a party elder trying to keep the peace. Even the most casual students of politics know that the way parties avoid divisive primaries over offices they already hold is to get behind the incumbent. It usually takes extraordinary circumstances — a criminal conviction, for example — for a party to turn its back on an officeholder seeking reelection.

There were no such circumstances troubling Haida in 1995. He had his critics, as any state's attorney will, but there was no overriding problem that could make his party give up its incumbency. If what Costello wanted was to avoid a primary fight, all he had to do was support Haida.

Instead, he met with Haida and discussed Haida's becoming a judge or going into private practice. Haida believed Costello was offering him a judgeship to make way for Cueto. At the time, Cueto was using every means at his disposal to attack Bonds Robinson, the state liquor agent who helped expose Cueto client Tom Venezia's illegal gambling enterprise. Federal prosecutors in Cueto's trial maintained that Cueto wanted to be state's attorney so he could prosecute Robinson.

Costello said Haida must have misunderstood him to think he was offering a judgeship to make way for Cueto. But the difference between the stories seems too big to be explained as a simple misunderstanding.

We're certainly glad of one thing — that Haida remained state's attorney despite his conversation with Costello. At least he is in the office to enforce the law and not to use it to attack political enemies.

(Wednesday: Was Costello a silent partner with Cueto and Venezia?)



Was he a partner?

U.S. Rep. Jerry Costello insists he was not a silent partner in Amiel Cusato's scheme to create a Pokagon Indian gambling casino in partnership with gambling czar Tom Venezia. But reasons for skepticism remain.

In his public statement Saturday about the Cusato obstruction of justice trial, Costello said he knew virtually nothing of Cusato's orchestrations to win state and federal approval for the land-based casino. He acknowledged only one thing — voting for a bill to recognize the Pokagons as a tribe with the right to have a casino.

That bill was sponsored by Rep. Bill Richardson of New Mexico, who has since been named the U.S. ambassador to the United Nations. In 1994, Cusato arranged a meeting between Costello and former Belleville City Attorney Phil Montalvo, a Republican activist who was also a partner in the casino.

Costello says he merely listened to Montalvo, talked on the phone with a tribal representative and followed standard procedure — asking them to mail a copy of the bill so his staff could check it out. Eventually, he voted for it.

Witnesses at the trial told a different story — that Cusato claimed Costello actually shared Cusato's 50 percent ownership of the casino and that Costello was working hard in Washington to win support for the bill. Costello maintains that the closest he came to doing business with Cusato was considering the purchase of 10 of 32 acres Cusato owned on the East St. Louis riverfront, which Costello thought would be a good hotel site.

It is not hard to believe that an operator like Cusato would be willing to inflate his friendship with a member of Congress into business partner status in order to attract support or investors. Costello's explanation thus has a ring of truth about it.

But there are some sticking points. It is hard to believe that if Cusato summoned Costello to a meeting to discuss Illinois' first land-based casino that

Costello would merely refer the matter to his staff. Just picture the scene. At the request of his lifelong friend, Costello finds himself meeting with a staunch Republican, Phil Montalvo, and is placed on the phone with someone representing an obscure Indian tribe.

Shouldn't he have seen a few red flags at this point? Costello says now that he had begun distancing himself from Cusato in 1991, in part because of Cusato's ties to Venezia. Montalvo was a political opponent, and the Pokagons had no real link to Southern Illinois. Wouldn't Costello at least want to ask a few questions and find out what was up, if for no other reason than to protect a vital economic engine in his Congressional district — the Casino Queen riverboat casino?

Also, if Costello merely voted for the bill, why did Richardson send him a letter thanking him not just for a vote but also for help in gathering votes for the bill, even saying his support was "instrumental" in getting the bill passed?

When Costello considered buying part of Cusato's riverfront property, he should have known it was a potential casino site. Cusato and Venezia had already been publicly associated with a company called Illinois Port and Harbor Authority, which was formed to develop a riverfront gambling business. That should have given Costello a pretty good idea of what Cusato had in mind for the land — and that Venezia would be involved.

After Venezia's gambling operation was put out of commission by federal raiders, the Pokagon casino schemes fell through never getting to the point where a silent partner would stand to gain. Trial testimony indicates that before that point, Cusato wanted people to think Costello was his partner. Since then, the two have maintained that Costello was not.

So was Costello a silent partner? Since Cusato is anything but a reliable source, it comes down to whether Costello can be believed.

BND
6/18/97

Cueto begins appeal

30-day extension granted for filings

By David Rheingold
St. Louis News-Democrat

EAST ST. LOUIS — Belleville attorney Amiel Cueto is launching his appeal of his federal obstruction of justice convictions, less than a week after a jury found him guilty.

Cueto's attorneys filed papers in U.S. District Court on Tuesday asking a federal judge to set aside his convictions or acquit him on each count.

They also may file motions seeking a new trial and asking the court to withhold judgment on Cueto. They were granted an extra month to prepare these motions.



Cueto

But none of the motions filed reveal on what grounds attorneys for Cueto will seek an appeal.

Last Wednesday, jurors found Cueto guilty on three counts of obstruction of justice and one count of conspiracy after two days of deliberations.

Cueto, 48, a prominent Belleville attorney and Democratic Party power broker, was accused of trying to thwart a federal investigation into his business partner and client Tom Venezia's illegal gambling ring.

Venezia was convicted on federal racketeering charges in 1995. He is serving a 15-year prison term.

In his one-page motion for acquittal, Cueto stated he is reaffirming his written and oral arguments from the trial. Cueto's lawyers argued Cueto aggressively worked on behalf of his clients but did nothing illegal.

U.S. District Judge Stephen Limbaugh on Monday granted defense attorneys a 30-day extension so they could file additional motions to seek a new trial or ask the court to withhold judgment on Cueto.

They have until July 15. According to the defense attorneys' motion, the U.S. Attorney's office did not object to their request for more time.

Cueto's sentencing is set for Sept. 19. He faces up to 10 years in prison. Fines could total \$1 million.

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Cueto c

Prosecution

Continued from 7A

and other serious federal gambling charges.

Cueto has another plan.

In April, Agent Robinson made another arrest of a guy named George Vogt at the Stadium Club, again on gambling charges, and other charges.

Three days after B&H gets this federal grand jury subpoena, Amiel Cueto decides to take over the Vogt case from Tom Dwyer, and conduct a hearing in the state court, St. Clair County Courthouse, on a motion to suppress.

And you will hear testimony that under ordinary circumstances, a hearing on a misdemeanor gambling charge takes a couple of hours at most.

This hearing took three days.

George Vogt will tell you that he was briefly introduced to Amiel Cueto on the date of this hearing, but was never interviewed by Amiel Cueto or Tom Dwyer or anybody else about what happened.

And he could see, from sitting in the courtroom, that the hearing had almost nothing to do with his charge.

Instead, Agent Robinson was called to the witness stand and asked more questions.

While an assistant state's attorney was in the courtroom, the St. Clair County judge refused him the opportunity to question Agent Robinson after Cueto had finished his questioning of Agent Robinson.

Now, you will also hear that the St. Clair County judge didn't rule on the case when it was over.

You will hear from State's Attorney Melinda the reason that the case was later dismissed by his office.

Cueto had used the hearing to attempt to set up Agent Robinson, in the hope that he could get him to be about something.

And after the hearing, you will hear testimony that Amiel Cueto took the transcripts of what happened during the Vogt hearing over to State's Attorney Melinda and demanded that the state obtain a criminal indictment against Agent Robinson for lying during the Vogt hearing.

You will hear testimony that the point was to indict Agent Robinson, to hurt his credibility, so that the federal government could not use him or the evidence that he uncovered against agent — against Tom Venezia; and also, he wanted to use that criminal indictment to keep his case for Tom Venezia that was up on appeal to the Seventh Circuit.

State Attorney Melinda reviewed the transcripts, conducted an investigation, and found, of course, that Agent Robinson had not committed any crime.

But you will see letters from Amiel Cueto to State's Attorney Melinda in January of 1994, and again in June of 1994, begging Melinda to indict Robinson because "time was of the essence."

And it was critical to his client's legal position.

The client, of course, was Tom Venezia.

You will hear about more deals between Cueto and Venezia in 1993.

You will also hear that Club Exposed opens its doors in October of 1993, and that Venezia told Amiel Cueto that he was putting the illegal gambling business into Club Exposed, and that Cueto agreed.

In February of 1994, what he knew,

COMING TOMORROW

Complete transcript of opening statement by Cueto's attorney, Ronald Jenkins

and when he knew it.

The United States Seventh Circuit Court of Appeals ruled against Venezia, and found that Agent Robinson was, indeed, acting on behalf of the FBI, and severely criticized Judge Radcliffe, and found that these state court proceedings in the St. Clair County Courthouse had violated Agent Robinson's constitutional rights.

Amiel Cueto tells Venezia again he will take care of it.

And he will file an appeal to the highest court in the land — the United States Supreme Court.

And you will see that in these court papers, Amiel Cueto accuses the Seventh Circuit Court of Appeals with "lying Tom Venezia and lying."

These pleadings are proof of the crimes charged as part of the conspiracy in Count 1, and the attempted obstruction charged in Count 2.

The casino deal

The year 1994 brings a new twist to the plan.

In that year, Amiel Cueto, Tom Venezia, and others engaged in the biggest business deal yet: the development of the first land-based gambling casino in Illinois.

Now, the only way that this deal could be done was through the use of an Indian reservation.

And to do this, Amiel Cueto enlists the help of his childhood friend, Congressman Jerry Costello, to see to it that a bill, already pending in Congress, to recognize this particular Indian group, is passed.

You will hear testimony from people who attended the meeting with Amiel Cueto and the congressman, and you will see letters from the congressman advising them of the successful passage of the bill, recognizing the Indian tribe in Illinois, because that's the only way they can do this land-based gambling deal.

You will also see, ladies and gentlemen, a document that Amiel Cueto hand delivers to the attorney, Tom LeChen, memorializing Congressman Costello's share in Cueto's interest in the deal, which was not to be signed until 1995, to avoid some reporting requirements.

You will also hear testimony from several witnesses who Cueto told that Congressman Costello was a short partner in the deal with Cueto, Venezia and others.

As this deal is taking shape in the fall of '94, ladies and gentlemen, Mel Swanson and J.C. Grantham receive federal grand jury subpoenas to appear and testify before the grand jury in 1994.

Cueto instructs Tom Venezia to bring Mel and J.C. to his office the next day, and he does.

And at that time, Amiel Cueto promises to take care of it for them, so they won't have to testify.

Of course, at Tom Venezia's expense. But Mel Swanson doesn't buy into the program, ladies and gentlemen.

And you will hear him testify that in November, he went into the grand jury, and told them the truth about these gambling operations.

J.C. Grantham — you are going to see that his name is whispered throughout



all these pleadings, J.C. Grantham — he agrees to the representations by Amiel Cueto and other lawyers that Cueto involved in all this.

And again, you will hear testimony that Cueto or these other lawyers, at his direction, use J.C.'s case, not to protect J.C., but to file motions, some of which contain false statements in the federal court to quash the subpoenas issued by the federal grand jury, and also motions to discharge, to get rid of the grand jury.

In deliberate disregard of these earlier federal court decisions, Cueto again claims in these pleadings that Agent Robinson is corrupt, attaches the transcripts of the Radcliffe injunction hearing, and the Vogt transcripts, and uses these transcripts as exhibits to his court papers, in an attempt to interfere with the job that the grand jury is trying to do.

And the evidence of these attempts to interfere with Mel Swanson and J.C. Grantham's appearance before the grand jury is part of the evidence charged in Count 1, the conspiracy, and the attempted obstruction charged in Count 3.

As part of that grand jury investigation, ladies and gentlemen, on Dec. 6, 1994, approximately 100 agents of the Federal Bureau of Investigation, the Internal Revenue Service, the Illinois State Police and local law enforcement agencies execute approximately 30 search warrants in a single day, seizing close to 170 gambling machines supplied by B&H, to 27 of the gambling stops on its route.

The point of the raid, which you will hear from the witnesses, involved one of the largest law enforcement efforts in the history of this district, and the purpose was, of course, to dismantle the gambling business and stop the crime.

Eleven days after this raid, ladies and gentlemen, Amiel Cueto caused a motion to be filed to discharge the federal grand jury, not using Tom Venezia's name, but instead using J.C. Grantham's name on the pleading.

The effect of the raid was that all of the investors in this land-based gambling deal pull out.

And Venezia loses a \$4 million sale that he is negotiating to sell B&H vending.

And you will hear testimony that without B&H, Venezia had to go talk to a bankruptcy lawyer about what he needed to do.

The testimony will also show that he goes to Amiel Cueto for more advice.

He asked Cueto, "Wouldn't it be so admitting guilt, if I don't replace these gambling machines?"

East Side Review

Side Review
RUMOR



Amiel Cueto's East Side Review published a "glossary of terms" on March 6, 1995, which called a group of assistant U.S. attorneys "Hitler Youth." It also listed: "Miss Piggy: Miriam Miquelon, recent arrival in the Hitler Youth imported from Chicago because of her complete lack of integrity and propensity to lie, even if the truth would help."

Amiel Cueto agreed, and he told Tom Venezia that it was all right to use the money that Cueto, Venezia and others had borrowed in connection with this money casino deal to buy the illegal gambling machines.

In direct defiance of the grand jury and the federal investigation, again the gambling business was put back in business.

And Amiel Cueto and Tom Venezia also continued to operate the gambling business at Club Exposed.

Now, while Club Exposed hadn't been one of the stops on the route that got hit by the "feds" agents during the raid, the "safe" men were told to go into Club Exposed get some of those machines out right away, supply them to the other stops until the new machines could be ordered and delivered.

And when those machines came in, they were replaced at Club Exposed.

The evidence of putting this gambling business back in business is part of the proof of the conspiracy charged in Count 1 and the attempted obstruction charged in Count 4 of the indictment.

In the same month, ladies and gentlemen: December of 1994 Amiel Cueto says another visit to State's Attorney Heide to let him that he is going to run for the police office of state's attorney of St. Clair County against Bob Heide.

And Cueto — you will hear testimony that he tells other people that if Heide won't indict Agent Robinson, he will do it himself.

He even prints his own newspaper, and implies that threat.

You will hear testimony that at this time Venezia starts to pay Amiel Cueto \$5,000 monthly cash payments for Cueto's share in Club Exposed.

Eventually, a federal judge denies Cueto's motions attacking the grand jury.

And Tom Venezia and others are indicted on racketeering and other criminal charges in March of 1995.

That racketeering case was assigned for trial before Federal District Court Judge William Stahl, the same judge who had thrown out the racketeering state court injunction against Agent Robinson.

Cueto's plan changed again at this point, and again, he went back to his friend, Congressman Costello, to ask for some help.

You will hear that State's Attorney Heide received a telephone call from Congressman Costello for a meeting.

Now, State's Attorney Heide had never met alone with the congressman before.

The purpose of the meeting, and you

will hear this in testimony, was to see if State's Attorney Heide could be persuaded to resign from his job as the state's attorney in exchange for a judgeship in St. Clair County, and help Amiel Cueto get appointed to fill his vacancy, so that Amiel Cueto could become the state's attorney for St. Clair County.

If Cueto could become state's attorney, he could indict Agent Robinson before Tom Venezia's case went to trial in federal district court.

You will hear from State's Attorney Heide that he refused the offer, and the evidence is offered as part of the proof of Count 1, charging the conspiracy, and the attempted obstruction charged in Count 4.

You will also hear, ladies and gentlemen, that the threat to prosecute Agent Robinson, in the event that Amiel Cueto became state's attorney, was not the only person that he threatened.

You will see a letter, a part of the letter that he sent to the Illinois Attorney Registration and Disciplinary Commission, threatening people with the commission with a criminal indictment in the event that they came to testify in one of these proceedings in St. Clair County, and he.

So Cueto changed the battlefield now. He says \$50,000 of Venezia's legal fees to Venezia's lawyer, and guarantees payment of the rest of the fee.

This is in the racketeering case. The co-defendants' lawyers in that case are to be paid by Tom Venezia.

And from behind the scenes, Amiel Cueto starts writing motions that he instructs these defense attorneys in the racketeering case before Judge Stahl to file.

You will hear testimony that when Sandra Nations-Venezia's attorney refuses to file the motion, because he thought it was not the right thing to do, Cueto personally drafts a letter for Sandra Nations to sign, trying her defense attorney.

You will also hear that Amiel Cueto instructed Milan Venezia's lawyer to file a motion, and may falsely represent, through Tom Venezia, to Milan's lawyer, that Milan had authorized the filing of this pleading.

Of course, it wasn't true, ladies and gentlemen, because they didn't know at the time that Milan Venezia, through his attorney, had already begun cooperating with the federal government.

And the theme of many of these motions, not all, you will see other false motions that he caused to be filed in the federal district court before Judge Stahl, but the theme of these particular motions

was to get Judge Stahl disqualified from the case.

Venezia's lawyers were telling him, his defense lawyers were telling him, that Judge Stahl was a good and fair judge; but Cueto didn't want him, because of other plans that Cueto had for the case.

He began to prepare lists of questions that he had Tom Venezia hand deliver to the defense lawyers that were to be asked on cross-examination of the government witnesses, some of which contained questions attacking Agent Robinson.

And you are going to see these white instruction attorney sheets.

In the end, ladies and gentlemen, the plan failed; and the racketeers were convicted in December of 1995.

The evidence of a false pleadings filed in the federal district court applies to the conspiracy charged in Count 1, and the attempted obstruction charged in Count 7.

But the federal grand jury had begun to investigate all of this conduct that you have heard about here today.

And you will hear about more of trial.

The grand jury issued subpoenas to Sandra Nations-Venezia, Tom Venezia and others.

And the plan changes again, and Cueto starts to protect himself.

He sends a letter to Tom Venezia's lawyer, instructing the lawyer to take a statement out of one of Venezia's pleadings which said that Cueto approved of Venezia replacing the gambling machines after the Dec. 6 gambling raid.

After he learns about Sandra Nations' subpoena, he has a meeting with her.

And you are going to hear testimony, ladies and gentlemen, that in the front seat of his car, he gives her \$5,000 in cash.

Six grand for her, five hundred for Tom Venezia.

And says to her, "You don't have to tell the grand jury about this payment. And if you are asked, it's protected by the attorney-client privilege."

Of course, Amiel Cueto wasn't representing Sandra Nations as her attorney at the time he gave her the cash in the front seat of his car.

Amiel Cueto also promised Tom Venezia to pay for his appeal on the racketeering conviction. And if that failed, Amiel Cueto assured him that he would use his political influence to get him a presidential pardon.

Venezia went in to the grand jury and sat.

He told the grand jury that Amiel Cueto was not his partner in Club Exposed, and had never received those cash payments in connection with his share of Club Exposed.

The evidence of the cash payments to Sandra Nations-Venezia, and the debts offered by Cueto to Tom Venezia before he testified, before that 1995-1 grand jury, are part of the proof of the conspiracy charged in Count 8 of the indictment.

At the close of all of this evidence, ladies and gentlemen of the jury, the government is going to ask you to return a verdict of guilty against the defendant Amiel Cueto on all of the charges and counts in this indictment.

Thank you very much.

Prosecution

Continued from 6A

son, Moore and Siano.

Cuello and Daley never called anyone at these three WVW employees, and none of these employees ever told them Bonds Robinson had tried to solicit a bribe or cash or ask for money.

The evidence will also show that the V never gave authorization to Amiel Cuello's law firm to call the Illinois Liquor Commission and complain about Agent Robinson's conduct at the WVW.

You will hear testimony that Tom Daley called the Illinois Liquor Commission and spoke to Eric Wiedle in the presence of Tom Venezia.

The phone conversation lasted a couple of minutes, and Tom Daley makes the complaint.

He gave no details, just made the accusations. Tom Daley will tell you at the time, he had no idea that Bonds Robinson was being uncovered when he makes the phone call.

Of course, the Illinois Liquor Commission knows Bonds Robinson is acting undercover at the time that the phone call is made.

Tom Daley will also tell you that he does not disclose to the Illinois Liquor Commission in that phone call at the end of April that on April 1, 1982, the Cuello law firm had paid Mel Swanson guilty to a gambling charge arising out of the legal gambling business that Agent Robinson was involved in investigating.

They didn't tell the Illinois Liquor Commission that fact, or that the V was breaching the law.

Only that Bonds Robinson was attempting to solicit money.

By early May of 1982, the FBI had met with the Illinois State Police and the Illinois Liquor Commission, and the gambling investigation that now focused on Tom Venezia and B&H Vending was expanded to include the FBI.

By May 8 of 1982, the FBI had obtained approval to conduct electronic surveillance of Tom Venezia.

Next, the plan was to put a wire on Agent Robinson, so that he would go in to see if Tom Venezia would try to offer him money to get him out of his shop.

You will hear that Agent Robinson had engaged in the same kind of electronic surveillance at a criminal investigation technique, on prior investigations for the FBI, using the exact same cover.

By August of 1982, Agent Robinson finally got a message to Tom Venezia that he wanted to meet with him.

And he got this message to Tom Venezia through one of the gambling collector route men, Jerry Dwyer.

The conversation to set up that meeting was also secretly recorded by the Federal Bureau of Investigation, by putting a wire on Agent Robinson.

Tom Venezia, after hearing that Agent Robinson wants to meet with him, discusses the situation with Major Sylvester Jackson, and he decides he doesn't want to meet with Agent Robinson.

And you are going to hear that conversation during this trial as well.

And you will hear on that tape, ladies and gentlemen, at a time when Sylvester Jackson didn't know that his conversation was being taped, he tells Bonds Robinson, "There are some people that want to set you up, but Tom just wants to take care of you."

And after the meeting, Jackson assures Venezia that it is all taken care of, not to worry.

But still, Tom Venezia is not told to go to the authorities.

Then the next day, on August 28, 1982, after the Illinois State Police had been at the V all of August getting paid off on the gambling machines, on August 28 there is another raid at the V.

And Agent Robinson goes in with the Illinois State Police again, and two more people are arrested: Ricardo Hooper and Dawn Stark.

Priscilla Hooper is charged with three separate gambling violations.

The V wants the machines out. Everything breaks loose. And Tom Venezia goes to Amiel Cuello.

Then Cuello tells Tom Venezia, "Write a letter to the authorities and let them what Bonds Robinson has done to you."

And he tells him to write a letter to the FBI and request that Agent Robinson was trying to solicit a bribe.

Cuello does not tell Venezia to disclose in his letter that he is operating gamely an almost \$200,000 illegal gambling business at the WVW.

Venezia then calls Cuello, during a conversation at that time, if Cuello thought they could get some kind of injunction to keep Agent Robinson out of the V and the rest of his shop.

Because Venezia tells Cuello at this point that if his other customers see that he can't protect his biggest shop, he is going to lose his credibility with his other customers.

He was going to lose B&H Vending, the multi-million dollar gambling business that he built.

And you will see and hear testimony of how many millions of dollars, ladies and gentlemen, that this gambling business generated.

So, the next day, Venezia takes his letter drafted to the FBI over to Amiel Cuello, who then redrafts it, and adds a couple of sentences to make the accusations against Agent Robinson a little stronger.

Venezia also delivers to Amiel Cuello the three gambling charges that are filed against him.

in a case that you are going to hear about during this trial called Venezia vs. Robinson.

He serves him with papers to be in Judge Radcliffe's courtroom in 15 minutes for an injunction hearing against Robinson.

So Agent Robinson immediately goes to the telephone, and he puts a call to Special Supervisor Agent Reginald Joseph of the FBI. And many Agent Reginald Joseph of the FBI. And Special Supervisor Agent Reginald Joseph is in charge of the Allen and Fairview Heights FBI office.

Special Agent Joseph tells Robinson to just wait, call him back in a few minutes, after he has had a chance to confer with the United States attorney's office.

But Agent Robinson doesn't have the opportunity to do that, because Cuello orders him into Radcliffe's courtroom, where the hearing is going to start.

Tom Venezia and Major Sylvester Jackson also attended that hearing. So did Mel Swanson.

And you are going to hear testimony from Tom Venezia and Agent Robinson - stills but - Tom Venezia and Major Jackson about what they saw, and what they heard during that hearing before Judge Radcliffe in St. Clair County that day.

Now, you will also hear that the press had been called to attend that hearing.

And you will hear from Tom Venezia and Sylvester Jackson, who were there for that hearing, that Cuello put Venezia on the witness stand, and he asked him questions only about being in the general vending business.

"You are just in the general vending business, right?"

Cuello never discloses, through Venezia's testimony, that Venezia is operating an illegal gambling business.

Cuello never tells the judge on Sept. 1, 1982, that his firm had paid Mel Swanson guilty on April 1, 1982, to an illegal gambling charge.

Cuello then picks Mel Swanson on the stand. And Mel Swanson did tell you that he was new or asked the question about his gambling arrest or

put the machines back in.

The testimony of the WVW employees will show that the injunction put the gambling business back in business.

At this time, in the fall of 1982, Cuello and Venezia begin to plan numerous business ventures together. And most of these are actually put together in the early part of 1983, but the discussions actually start in 1982.

And these include purchasing the Laclede Cab Co. out of bankruptcy.

Acquiring an asbestos removal company known as Millennium III.

And also another proposal to open a topless nightclub in made in connection with the next wave of attacks that are made on Agent Robinson and the federal investigation.

The inspections continue

In October of 1982, two months after Agent Robinson disclosed the FBI investigation, Agent Robinson does an inspection at a place in OTS called the Outboardman target.

And at that time, the owner, Dorothy McCaw, signs a confession to the police and to Bonds Robinson, admitting that they are operating an illegal gambling business, and that the video game playing machines that they are using are from B&H.

Now, that criminal complaint is also sent over to the Cuello law firm.

And Tom Venezia calls Cuello and says, "Isn't this a violation of that injunction that we got before Agent Robinson from unlawfully interfering with our shop?"

And Cuello agrees.

And he says he'll take care of it.

Now, Cuello calls Venezia the next day, and says, "Come to the parking lot at my office, and Bob Romank will be there."

Now, Bob Romank of the firm also had a private investigator business, and he did work for Cuello's law firm.

Now, Venezia didn't see Bob Romank, and did not want to necessarily do something with Bob Romank, but he did it.

He followed Cuello's instructions.

And without ever calling him, McCaw on the telephone, Cuello and Romank get in the car and go out to OTS alone to meet with

to remove the case out of the state court system, and put it in the federal courthouse, because Agent Robinson was acting in a joint investigation with a federal law enforcement agency, the Federal Bureau of Investigation, and just trying to do his job.

The case, ladies and gentlemen, was assigned to Federal District Court Judge William Stahl.

The federal case

In the federal case, you will see papers where Cuello again claims that Agent Robinson was corrupt and not working for the FBI.

The filing pleadings are charged as part of the evidence of the conspiracy charged in Count 1, and the corrupt endeavor to obstruct justice as charged in Count 2.

What he knew and when he knew it.

In January of 1982, Special Agent Reginald Joseph filed an affidavit in that case. The case that gets removed to federal court.

And point blank, tells Cuello again: "Agent Robinson is working for the FBI, and is an undercover capacity."

But, see, that wasn't the news that Tom Venezia and Amiel Cuello wanted to hear, because 10 days after - 10 days that

I need to go back for a minute.

There is something else that happens after the affidavit is filed.

On April 2, 1982, Federal District Court Judge Stahl ruled that Agent Robinson was acting with the FBI.

And that was the news that they didn't want to hear.

Because 10 days later, the court, telling them this news, they closed on the Millennium III deal, which involved Cuello and Venezia signing on a \$500,000 letter of credit, and coming up with an additional \$500,000 to purchase Millennium III.

Then, ladies and gentlemen, you will hear on May 18, 1982, Judge Stahl, in the federal court proceeding, disclosed that St. Clair County state court injunction that had been entered against Bonds Robinson.

Again, the testimony is going to show that wasn't the news they wanted to hear on May 18, because two days after that order, ladies and gentlemen, Venezia agrees to purchase Amiel Cuello's office building at 101 South First St. for about \$1.2 million, a deal that Tom Venezia will tell you he could have never done without cash flow being generated from his illegal gambling business.

The deal serves, for just the rent and the utilities alone for him to buy that building from Amiel Cuello, was \$15,000 a month.

At the same time, in March of 1983, ladies and gentlemen, Cuello convinces Venezia to do the Centerville lupins nightclub that Romank had wanted him to do.

And so Venezia agrees to buy the property from Bob Romank for - about \$150,000.

Venezia will tell you, and other witnesses in this case will tell that Tom Venezia thought the deal

'You will hear testimony from the FBI, the Illinois State Place, the Illinois Liquor Commission, and former United States attorneys that the state court injunction put a halt to the FBI, and that Amiel Cuello to attempted to interfere with, unravel and impede the federal investigation of B&H, and Tom Venezia, through the forced and public disclosure of that FBI investigation of Tom Venezia'

un, Moore and Stent.

Cuello and Daley never called anyone of these men VFW employees, and none of those employees ever told them that Bonds Robinson had tried to solicit a bribe or cash or ask for money. The evidence will also show that the V never gave authorization to Amiel Cuello's law firm to call the Illinois Liquor Commission and complain about Agent Robinson's conduct at the VFW.

You will hear testimony that Tom Daley called the Illinois Liquor Commission and spoke to Eric Wieda in the presence of Tom Venezia.

The phone conversation lasted a couple of minutes, and Tom Daley makes the complaint. He gave no details just made the accusations.

Tom Daley will tell you at the time, he had no idea that Bonds Robinson was taking undercover when he makes the phone call.

Of course, the Illinois Liquor Commission knows Bonds Robinson is acting undercover at all times. The time that the phone call is made.

Tom Daley will also tell you that he does not discuss to the Illinois Liquor Commission in that phone call at the end of April that on April 1, 1992, the Cuello law firm had filed with the commission a gambling charge arising out of the illegal gambling business that Agent Robinson was involved in investigating.

They didn't tell the Illinois Liquor Commission that fact, or that the V was breaking the law.

Only that Bonds Robinson was attempting to solicit money.

By early May of 1992, the FBI had met with the Illinois State Police and the Illinois Liquor Commission, and the gambling investigation that now focused on Tom Venezia and Amiel Cuello was expanded to include the FBI.

By May 8 of 1992, the FBI had obtained approval to conduct electronic surveillance of Tom Venezia.

Now, the plan was to put a wire on Agent Robinson, so that he would go in to see if Tom Venezia would be willing to give him money to get out of his shop.

You will hear that Agent Robinson had engaged in the same kind of electronic surveillance as a criminal investigative technique, on prior investigations for the FBI, using the exact same cover.

By August of 1992, Agent Robinson finally got a message to Tom Venezia that he wanted to meet with him.

And he got this message to Tom Venezia through one of the gambling collector route men, Jerry Dwyer.

The conversation to set up that meeting was also secretly recorded by the Federal Bureau of Investigation, by putting a wire on Agent Robinson.

Tom Venezia, after hearing that Agent Robinson wanted to meet with him, discusses the situation with Mayor Sylvester Jackson, and he decides he doesn't want to meet with Agent Robinson.

But again, Tom Venezia goes to the defendant, Amiel Cuello, for advice.

The plan unfolds —

And you are going to hear that conversation during this trial as well.

You will hear on that tape, ladies and gentlemen, at a time when Sylvester Jackson didn't know that his conversation was being taped, he tells Bonds Robinson, "There are some people that want to get you, but you just want to take care of you."

And after the meeting, Jackson assumes Venezia that it is taken care of, not to worry.

But still, Tom Venezia is not told to go to the authorities.

Then the next day on August 26, 1992, after the Illinois State Police had been at the VFW of August getting paid off on the gambling machines, on August 26 there is another raid at the VFW.

And Agent Robinson goes in with the Illinois State Police again, and two more people are arrested: Priscilla Hooker and Dawn Stark.

Priscilla Hooker is charged with three separate gambling violations.

The VFW seizes the machines out, everything breaks loose. And Tom Venezia goes to Amiel Cuello.

Then Cuello tells Tom Venezia, "Write a letter to the authorities and tell them what Bonds Robinson has done to you."

And so he tells him to write a letter to the FBI and recount that Agent Robinson was trying to solicit a bribe.

Cuello does not tell Venezia to disclose in his letter that he is operating sexually an almost \$300,000 illegal gambling business at the VFW.

Venezia then tells Cuello, during a conversation at that time, if Cuello thought they could get some kind of injunction to keep Agent Robinson out of the VFW, and the rest of his shop.

Because Venezia tells Cuello at this point that if his other customers see that he can't protect his biggest shop, he is going to lose his credibility with his other customers.

He was going to lose B&H Vending; the multimillion dollar gambling business that he built.

And you will see and hear testimony of how many millions of dollars, ladies and gentlemen, that this gambling business generated.

So, the next day, Venezia takes his letter drafted to the FBI over to Amiel Cuello, who then adds a couple of sentences to make the accusations against Agent Robinson a little stronger.

Venezia also delivers to Amiel Cuello the three charges that are filed against Priscilla Hooker, for

in a case that you are going to hear about during the trial called Venezia vs. Robinson.

He serves him with papers to be in Judge Radcliffe's courtroom in 15 minutes for an injunction hearing against Robinson.

So Agent Robinson immediately goes to the telephone, and he puts a call in to Special Supervisor Agent Reginald Joseph of the FBI. And Special Supervisor Agent Reginald Joseph is in charge of the Allen and Farnover Heights FBI office.

Special Agent Joseph tells Robinson to just wait, call him back in a few minutes, after he has had a chance to confer with the United States attorney's office.

But Agent Robinson doesn't have the opportunity to do that, because Cuello orders him into Radcliffe's courtroom, where the hearing is going to start.

Tom Venezia and Mayor Sylvester Jackson also attended that hearing. So did Mel Swenson.

And you are going to hear testimony from Tom Venezia and Agent Robinson — a trial that — from Tom Venezia and Mayor Jackson about what they saw, and what they heard during that hearing before Judge Radcliffe in St. Clair County that day.

Now, you will also hear that the press had been called to attend that hearing.

And you will hear from Tom Venezia and Sylvester Jackson, who were there for that hearing, that Cuello put Venezia on the witness stand, and he asked him questions only about being in the general vending business.

"You are just in the general vending business, right?"

Cuello never discloses, through Venezia's last money, that Venezia is operating an illegal gambling business.

Cuello never tells the judge on Sept. 1, 1992, that his firm had paid Mel Swenson guilty on April 1, 1992, to an illegal gambling charge.

Cuello then puts Mel Swenson on the stand and Mel Swenson will tell you that he was nervous about the question about his gambling arrest or

put the machines back in.

The testimony of the VFW employees will show that the injunction put the gambling business back in business.

At this time, in the fall of 1992, Cuello and Venezia begin to plan numerous business ventures together. And most of those are actually put together in the early part of 1993, but the discussions actually start in 1992.

And these include purchasing the Laclede Cab Co. out of bankruptcy.

Acquiring an asbestos removal company known as Millennium II.

And also another proposal to open a business right next to the connection with the next wave of attacks that are made on Agent Robinson and his federal investigation.

The inspections continue

In October of 1992, two months after Agent Robinson disclosed the FBI investigation, Agent Robinson does an inspection at a place in Ottawa called the Outbackman Tavern.

And at that time, the owner, Dorothy McCann, signs a confession to the police and to Bonds Robinson, admitting that they are operating an illegal gambling business, and that the video gambling machines that they are using are from B&H.

Now, that criminal complaint is also sent over to the Cuello law firm.

And Tom Venezia calls Cuello and says, "You're a violation of that injunction that we got before Agent Robinson from unlawfully interfering with our shop."

And Cuello expects

And he says he'll take care of it.

Now, Cuello calls Venezia the next day, and says, "Come to the parking lot at my office, and Bob Romanuk will be there."

Now, Bob Romanuk at the time also had a private investigator business, and he did work for Cuello's law firm.

Now, Venezia didn't like Bob Romanuk, and did not want to necessarily do something with Bob Romanuk, but he did it.

He followed Cuello's instructions

And without ever calling Mrs. McCann on the telephone, Cuello and Romanuk get in the car and go out to OT along to meet Mrs. McCann.

And they show up unannounced at her tavern.

And Romanuk writes out a statement for her to sign, falsely implying that Agent Robinson lured her to sign her own

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to remove the case out of the state court system, and put it in the federal courthouse, because Agent Robinson was acting in a past investigation with a federal law enforcement agency, the Federal Bureau of Investigation, and just trying to do his job.

The case, ladies and gentlemen, was assigned to Federal District Court Judge William Stahl.

The federal case

In the federal case, you will see papers where Cuello again claims that Agent Robinson was corrupt and not working for the FBI.

The false pleadings are charged as part of the evidence at the conspiracy charged at Count 1, and the corrupt endeavor to obstruct justice as charged in Count 2.

What he knew and when he knew it.

In January of 1993, Special Agent Reginald Joseph filed an affidavit in that case. The cable that gets removed to federal court.

And point blank, tells Cuello again, "Agent Robinson is working for the FBI, and in an undercover capacity."

But, sure, that wasn't the news that Tom Venezia and Amiel Cuello wanted to hear, because 10 days after — ladies that

I intend to go back for a minute.

There is something else that happens after the affidavit is filed.

On April 2, 1993, Federal District Court Judge Stahl ruled that Agent Robinson was acting with the FBI.

And that was the news that they didn't want to hear.

Because 10 days later, 10 days after the court ruling, the court telling them this news, they closed on the afternoon of that day, which involved Cuello and Venezia signing on a \$600,000 letter of credit, and coming up with an additional \$550,000 to purchase Millennium II.

Then, ladies and gentlemen, you will hear on May 18, 1993, Judge Stahl, in the federal court proceeding, disclosed that St. Clair County state court injunction that had been entered against Bonds Robinson.

Agent, the testimony is going to show that was at the time they wanted to hear on May 18, because two days after that order, ladies and gentlemen, Venezia agrees to purchase Amiel Cuello's office building at 101 South First St. for about \$1.2 million, a deal that Tom Venezia will tell you he could have never done without cash flow being generated from his illegal gambling business.

The debt service, for just the rent and the utilities, was \$15,000 a month.

At the same time, in March of 1993, ladies and gentlemen, Cuello convinces Venezia to do the gentlemanly loanless mortgage that Romanuk had wanted him to do.

And to Venezia agrees to buy the property from Bob Romanuk for — about \$150,000.

Venezia will tell you, and other witnesses in this case will tell, that Tom Venezia thought this deal was a rip-off, but he did it at Amiel Cuello's insistence.

The plan unfolds

Cuelo tells Venetia that he should meet with Agent Robinson, he tells him to exaggerate, and to try to set up Agent Robinson with a letter, and then Cuelo would use that to set up Robinson, and get him in trouble.

You are going to see a portion of a letter written by Amiel Cuelo, where he admits that he told Venetia to meet with Robinson, and to exaggerate during the meeting.

Now, Venetia didn't like the idea of trying to set up a law enforcement officer, because Venetia was worried that that was going to put a spotlight on his illegal gambling business.

Cuelo assured him that he would take care of it. And you will hear testimony at trial that the advice that Amiel Cuelo gave to Tom Venetia on that day began not only four years - four years of an attack by the defendant on Agent Robinson, and the federal investigation, but that that advice was in direct violation of the Black Code of Professional Responsibility, the Code of Ethics that governs all attorneys' conduct in the state of Illinois.

Tom Venetia agreed to meet with Agent Robinson on August 17, 1982, at his own office in Fairmont City, and he also asked Mayor Jackson to attend the meeting.

Now, unbeknownst to Venetia and Jackson, Agent Robinson was again working a wire for the FBI, and he taped the entire conversation, ladies and gentlemen.

And you are going to hear that conversation during this trial.

And during that conversation, Tom Venetia agrees to work out some kind of a gratuity with Agent Robinson, because you are going to hear Tom Venetia say on that tape to Agent Robinson:

"You know that Illinois Liquor Commission badge in your pocket. It's like having an Udd in your pocket."

Tom Venetia knew what kind of damage Agent Robinson could do to his illegal gambling business at the taverns.

After the meeting, Venetia met with Amiel Cuelo, and told him about the conversation.

And the evidence will show that Amiel Cuelo did not tell Tom Venetia to go to the authorities at that point.

Instead this set-up plan continued.

And you are going to hear Sylvester Jackson tell you that he then has a meeting with Robert Remark, who tells Mayor Jackson that he also "thinks they should set up Agent Robinson to get rid of him."

Mayor Jackson tells Venetia about the conversation with Robert Remark, and Venetia, who is still uncomfortable with this plan, disagrees, and says instead a few days later, that Mayor Jackson let's Venetia, "Hey, Agent Robinson is talking with Agent Robinson, and get him taken care of."

On August 25, 1982, Mayor Jackson and Agent Robinson meet.

And again, Mayor Jackson doesn't know that Agent Robinson has an FBI wire and is recording the entire conversation.

Priscilla Hooper, for which she was arrested in August of '82.

On August 26, 1982, Amiel Cuelo personally delivers this letter from Tom Venetia to the St. Clair County state's attorney, Robert Huda.

But before he gets to Huda's office on August 26th, 1982, he dies two other things: He files his own appearance as the attorney for Priscilla Hooper on the three illegal gambling charges at the V.

What he knew, and when he knew it. Tom Cuelo drafts an order for a St. Clair County Judge to sign.

The order is supposed to be in the criminal case of Baron Moore - the guy who was arrested in April 1982 at the V.

The firm, Cuelo's firm, was representing him on the illegal gambling charge.

Cuelo writes on the order that there is going to be a hearing Sept. 1, 1982, in the state courthouse in St. Clair County in Baron Moore's case, on a motion to dismiss the criminal charge.

He hopes to put down the time of the hearing, but he also says that the state's attorney is to produce Bonds Robinson and Officer Sprinkle from the Illinois State Police, who was there to make the arrest of Baron Moore.

The evidence will show that on Aug. 26, 1982, Cuelo had never met with not spoken to Mr. Baron Moore.

The evidence will show that no motion to dismiss had ever been filed in Baron Moore's case, and that on Sept. 1, 1982, the date of the hearing, there was never any hearing on any motion to dismiss in Baron Moore's case.

The evidence will show that the defendant, Amiel Cuelo, prepared a phony court order in Baron Moore's case, without anyone's knowledge, and gave it to a judge to sign, again not disclosing to the judge that it was a false order.

And then delivered the false court order to State's Attorney Huda, to make sure that Huda would have Bonds Robinson and Officer Sprinkle at the courthouse on Sept. 1, 1982.

Instead, on Sept. 1, 1982, Amiel Cuelo called Tom Venetia's office and told him to bring Mayor Sylvester Jackson with him to come in Amiel Cuelo's office.

And when Venetia and Jackson arrived, they were greeted by Amiel Cuelo and Bob Remark.

And Cuelo tells him he has come up with a plan to get Agent Robinson before he gets them.

And Remark is sent across the street to the St. Clair County Courthouse with some papers.

And then Cuelo, accompanied by Sylvester Jackson and Tom Venetia, go over to the St. Clair County Courthouse. Jackson points out Agent Robinson to Amiel Cuelo.

Now, Amiel Cuelo, of course, knows that Agent Robinson is going to be there, because he used that false court order in the Baron Moore case to get him there on that day, for a hearing that never took place in Baron Moore's case.

Cuelo then serves Agent Robinson with papers.

IN THE VENTURA

his guilty plea.

Of course, at that time, Huda still knew that they had entered a guilty plea for him.

Then Amiel Cuelo called Agent Robinson to the stand and begins to question him about his investigation.

Agent Robinson says the judge for an attorney. Cuelo objects and demands that Agent Robinson answer his question.

And at that point, ladies and gentlemen, he is launched into a diatribe, on the witness stand, the evidence of the undercover FBI investigation, the joint investigation with the Illinois State Police and the Illinois Liquor Commission.

He is forced to make public disclosure. Agent Robinson asks the judge, "Can I make a phone call? Can I see you in private?"

Cuelo objects again.

The judge refuses.

During the rest of the hearing, Agent Robinson is forced to discuss the evidence in the investigation, cover FBI tapes and other evidence in the investigation.

You will hear testimony, ladies and gentlemen, that this kind of court hearing is called an ex parte hearing.

And that's the kind of hearing where only one lawyer for one side is present.

And you will hear witness testimony that under those circumstances, Amiel Cuelo's failure to disclose all of the facts to the judge, during the hearing, including the fact that Venetia was operating an illegal gambling business, was a violation again of all Illinois Code of Professional Responsibility.

You will hear testimony that using a phony court order to set up the hearing was also a violation of the ethics rules.

And using Baron Moore's case to benefit Tom Venetia, to accomplish some other purpose than representing Baron Moore, was also a violation of the ethics rules.

You will hear that Amiel Cuelo got the injunction from Judge Roddis in the state court in St. Clair County that day to keep a law enforcement agent, Bonds Robinson, out of Venetia's steps from unlawfully interfering in his customers.

You will hear testimony from the FBI, the Illinois State Police, the Illinois Liquor Commission, and former United States attorneys that the state court injunction put a halt to the FBI, and that Amiel Cuelo attempted to interfere with, unravel, and impede the federal investigation of B&H, and Tom Venetia, through the forced and public disclosure of that FBI investigation of Tom Venetia.

Now, after the hearing is over, on Sept. 1, and they get the injunction against Agent Robinson from unlawfully interfering with the steps, Tom Venetia tells Amiel Cuelo, "I am going to take this back on, so they'll know that Agent Robinson can't bother them any more."

And he did that, and you will hear testimony he did that.

He went with his son Marv to do it. And the V

statement for her

husband, for Mr. McCaw to sign.

Now, Venetia wondered why Remark had his sudden interest in Venetia's business problems.

But he was soon to learn, during the ride out to the Quilbornan Club, that Remark was going to use the opportunity to try and convince Tom Venetia to buy some property from him to open up a night club in Greenville, IL.

And at this time, at least in this point in time, Tom Venetia showed some interest in doing that business deal with Bob Remark.

And, of course, later that changes.

After Remark and Venetia deliver this phony McCaw statement to Amiel Cuelo's office, Cuelo does two things with Mrs. McCaw's statement, number of which have anything to do with the distance of Mrs. McCaw's criminal gambling case.

The evidence will show you, and you will hear testimony that again in violation of the code of ethics, Cuelo used the case of one client, not for his other client, Tom Venetia.

First, he writes a letter to the Federal Bureau of Investigation, the state's attorney, Bob Huda, the Illinois State Police, and the United States attorney's office, again falsely accusing Agent Robinson of being a corrupt agent.

The evidence will show that what Cuelo knew at that time was that the allegations in that letter were wrong, but he had heard on Sept. 1 from Agent Robinson right from the witness stand, that Agent Robinson was working undercover for the FBI.

And of course, he knew it was false, because his law firm was representing all of those tavern owners who were getting popped on illegal gambling charges, arising out of the use of B&H's gambling machines.

But Cuelo told this letter dated Oct. 26, 1982, to the Illinois Liquor Commission, with a multi-ported letter and racketeering lawsuit that he intended to file on Tom Venetia's behalf, against the Illinois Liquor Commission. If Agent Robinson was going to be allowed to continue his investigation, he attached Mr. and Mrs. McCaw's statements that had been handwritten by Bob Remark to the letter, the ones that falsely imply that she was forced to confess.

You will hear testimony, ladies and gentlemen, that Mrs. McCaw never knew her statements were being used for that purpose.

And to put some muscle behind the threat in the court paper, Agent in the case of Venetia vs. Robinson, asking a judge to hold Bonds Robinson in contempt of court for violating the court's injunction.

And you will hear testimony from people, from the agencies who say that Oct. 26, 1982, letter, and the threatened lawsuit in that letter, that they believed that Amiel Cuelo was powerful enough in St. Clair County to make good on his threat.

And saying that, further effort to interfere with these few legitimate law enforcement activities, the United States attorney's office filed a motion

was a ripoff, but he did it at Amiel Cuelo's insistence.

Again, you will hear that this was another business deal that Tom Venetia could not have done without the cash flow generated by the gambling business that Venetia.

That was the only way he could service the debt.

You also see documents where Cuelo supplied Venetia a loan of \$50,000 to pay Remark, to make Remark whole for purchasing cattle because involving this loan club deal.

The reason that Amiel Cuelo loans the money to Tom is because Tom and Amiel Cuelo agree that Amiel Cuelo would become Tom Venetia's partner in this tavern nightclub.

And to keep things as tight, Amiel Cuelo tells Tom Venetia he will handle District Court Judge Stahl's orders, and appeal the case up to the next level, the United States Seventh Circuit Court of Appeals.

And the pleadings filed in the United States Court of Appeals are in part evidence of the conspiracy charged in Count 1, and also the evidence to establish justice that is charged in Count 2.

You will hear that these assurances gave Tom Venetia comfort to continue to go into debt, both with and for Amiel Cuelo.

And on July 5, 1983, ladies and gentlemen, Amiel Cuelo and Tom Venetia borrowed, together, \$1 million from Magis Bank to fund four deals.

Lutich Club, Millennium II, the 101 South First Street club, and \$300,000 of that \$1 million loan is to be used to continue the tavern nightclub on the property that Tom buys from Bob Remark.

And that club is later to be known as Club Exposed in Greenville.

And you will see accounting records, ladies and gentlemen, prepared at the time of this loan by Tom Venetia's bookkeeper, that memorandum Cuelo and Venetia's agreement as to how this \$1 million is to be spent.

But Cuelo also tells Tom Venetia at the time that he is to remain a silent partner in the deal, because it wouldn't look right for an attorney to be associated with a tavern nightclub.

And when the corporate papers are drawn up on Club Exposed by Tom Venetia, Tom Venetia is not told about Amiel Cuelo's interest, although he will tell you that he was later to find out that Tom Venetia had a partner in the deal.

On July 17, 1983, Tom Venetia and Amiel Cuelo do another deal involving the Illinois Port and Harbor Authority, that requires them to deposit \$10,000 on 30 acres of East St. Louis airport property.

And, again, Tom Venetia's money to close on that deal comes from B&H.

Three days later, ladies and gentlemen, a federal grand jury subpoenaed a grand jury to demand the production of its books and records.

Amiel Cuelo advised Venetia to hire a lawyer for advice.

And ladies, that lawyer that Tom Venetia hires at Amiel Cuelo's suggestion, was Venetia that he could be prosecuted for racketeering, gambling.

See PROSECUTION/BA

Lifestyle 1C

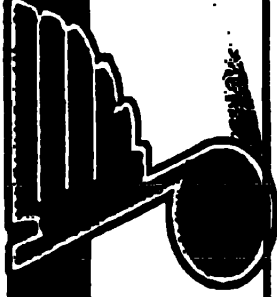
Hello Dolly

**SIUE students take
charge of production**

Sports 1D

Blues win 2-0

**Grant Fuhr gets fourth
career playoff shutout**



Sund

Belleville News-Demo

Thursday, April 17, 1997

SERVING SOUTHWESTERN ILLINOIS

Venezia: Costello, Cueto in on 3-way casino split

By Cheryl Eaton

Belleville News-Democrat

EAST ST. LOUIS — U.S. Rep. Jerry Costello was to split East St. Louis riverfront property intended for a casino with Amiel Cueto and Thomas Venezia, Venezia testified Wednesday.

Costello, Cueto and Venezia each were to get a third of 32 acres and documents describing the division were prepared Dec. 30, 1993, at Cueto's direction, Venezia said.

"My third was the farthest away from the water," he complained to jurors during his sec-

**Venezia boasts about
his friends on tape**

Page 8A

**used day of testimony in
Cueto's federal criminal tri-
al in East St. Louis.**

The deal fell through
Costello has issued statements saying he has never had a business or personal relationship with Venezia and that he has not had a business relationship with Cueto since 1992, when

he sold Cueto his share of a convalescent man. Venezia, also testified Cueto involved Costello in a land based casino development venture, to which Belleville businessman Richard Bechtold was added as a partner. Venezia and Bechtold were to each receive a 25 percent interest, while Cueto reserved a 50 percent interest, Venezia said.

"... It had something to do with Jerry Costello — that he would be his partner if he didn't say in Congress or something like that," Venezia said, later adding: "He would retain 50 percent ... in the event Jerry didn't run for Congress, have Jerry as his partner."

Prosecutors have said Venezia signed a con-

fession that stated Costello in 1994 used his position as a congressman to try to win recognition for an Indian tribe, which then would establish a reservation and provide a place for Illinois' first land-based casino.

"Cueto got Congressman Costello involved in getting the Indian tribe recognized to help the deal go forward," Venezia's confession stated.

On Wednesday, however, Venezia said Cueto did not tell him this.

"He never directly told me anything with regard to that," Venezia said. "There was discussions that went on about that, but I did not

See TRIAL/8A

Spill causes avianation

Trial

Continued from 1A

learn from him that Congressman Costello may or may not help a certain tribe."

Venezia did not say who he did learn this from and said he could not remember which of "two or three" Indian tribes involved was seeking recognition in Congress.

Cueto and Venezia's dreams for developing land-based casinos stretched all the way to Mexico and a feasibility study on an Illinois casino deal predicted they and their various investors could make as much as \$89 million.

Much of Venezia's testimony was slowed to an excruciating pace by exhibits the prosecutor entered into evidence concerning complicated investment deals he and Cueto had entered. Jurors' attention at times waned and at one point Venezia himself admitted to being confused.

Once during his testimony, a juror motioned that she couldn't see the prosecutor's chart of transactions and Venezia, in mid-sentence, pointed to her. The prosecutor adjusted the chart.

"Now it's worse," Venezia said, laughing with jurors. "Now it's farther away, pointing the other way."

Venezia testified he used proceeds from his illegal video gambling racket to enter various investment deals with Cueto and that Cueto was aware of this. When 148 of Venezia's video gambling machines were seized in a Dec. 6, 1994, federal raid, he got Cueto's permission to use \$100,000 of a \$200,000 loan the two had taken to replace some machines, he said.

Venezia said Cueto also was aware that a topless club they co-owned, Exposed in Centreville, depended on illegal gambling machines. Venezia and prosecutors said Cueto held a silent interest in the club. Cueto has denied this.

"The club struggled and wasn't making any money," Venezia said. "About the only way the club could stay solvent was to have the video

The Cueto trial



Wednesday highlights
April 16, 1997

• U.S. Rep. Jerry Costello was to have split with Amiel Cueto and Thomas Venezia 32 acres of East St. Louis riverfront property intended for a casino, Venezia testified Wednesday.

• Amiel Cueto's attorneys are set to begin their cross-examination of Thomas Venezia at 9 a.m. today.

poker machines."

"Did you tell Amiel Cueto that?" Assistant U.S. Attorney Miriam Miquelon asked.

"I think so," Venezia said.

"And what did he say to you?" she asked.

"Do the best you can," Venezia answered.

Venezia said he realized in that he was being investigated by the FBI and that a state liquor control agent had been working undercover in that investigation. He said he continued in large investment deals with Cueto because he relied on Cueto's assurances that Cueto would be able to discredit the agent, Bonds Robinson Jr., "so he wouldn't have any credibility in any FBI investigation and he couldn't be used" against Venezia.

Venezia said his relationship with Cueto was based on trust.

"I didn't do anything without making sure it was O.K. with Ame," he said.

Venezia said that after his conviction, he lied to a federal grand jury to protect Cueto.

"I wanted to," he explained. "(He was) my best friend."

BND
4/17/97